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Friday February 6 1998

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INTERNATIONAL

Decca Aitkenhead

## Sue the doctor, grab it and run

This section, page 13

The unique sports magazine

## Sport98

Mike Selvey and BC Pires report from the second Test in Trinidad

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# Shake-up urged after boys cleared in sex trial

Children's groups attack use of Old Bailey to try young children

Duncan Campbell  
Crime Correspondent

**C**ALLS were made yesterday for a full review of juvenile trials after the acquittal at the Old Bailey of four boys aged 10 and 11 for rape and indecent assault, the youngest ever to face such charges in Britain.

Children's organisations claimed that the court was the wrong place for such hearings and urged a review of the system.

Three boys, two aged 10 and one 11, were acquitted yesterday of indecent assault on a girl, aged nine, at a west London primary school during a lunch break last May. The two 10-year-olds were acquitted of rape on Tuesday when a third boy was cleared of indecent assault.

The Crown Prosecution Service yesterday defended its decision to bring the prosecutions. A spokeswoman said: "It was a complex case which was reviewed at every stage."

The spokeswoman added that the CPS had been in regular consultation with the police and treasury counsel. Because of the seriousness of the charge, she said, the case had to be held at the Old Bailey, which acted as the crown court for youth cases in the catchment area.

The Metropolitan Police issued a statement stressing

that the case had been handled with "thoroughness and sensitivity". Case conferences had been held throughout, said a spokeswoman, and the prosecution had only been brought after a thorough examination of the evidence.

The calls for a review, from both the National Society for the Prevention of Cruelty to Children and the Children's Legal Centre, have come because of uneasiness felt about the process of children as young as that appearing in a high-security, high-profile court like the Old Bailey.

Carolyn Hamilton, director

of the Children's Legal Centre, said such a trial should not be repeated. Both the location and the system under which the children were tried was wrong.

"I have grave doubts whether children of that age can understand what is going on in the court and can concentrate for that length of time," Ms Hamilton said. "I don't think it's suitable or appropriate for them to appear at the Old Bailey. We need to think more about the adversarial approach and whether it is right both for the victim and the accused."

She said that although people are meant to be tried by a jury of their peers, it was clear that a verdict would not be entrusted to a dozen 10-year-olds. However, the accused and the victim of the same age were meant to be able to understand the proceedings.

Ms Hamilton said that there might be a case for a judge to sit in a youth court and in a more child-friendly environment. The same result could be achieved in a less formal setting than the Old Bailey.

The NSPCC has also ex-

pressed its concern about the trial.

In a statement last night a spokeswoman said: "The NSPCC believes that a formal adult court setting is an inappropriate place to deal with children, whether they are victims, defendants or witnesses."

The organisation is planning a review of children within the judicial system. One consideration would be a separate children's court for civil and criminal matters.

One of the defence team, Steven Kay QC, said: "It's a great shame the case had to

come to the crown court ... The court did everything to make it as pleasant as possible, but this case should have been dealt with at a youth court."

The judge, Mrs Justice Bracewell, made every effort to relax the children. She and all the barristers removed their wigs, there were frequent breaks and the court finished early each day. The alleged victim gave her evidence by video and was allowed a break if she felt tired.

Children's ordeal, page 5

# Anger over Irvine's 'blunders'

Ewen MacAskill  
and Kamal Ahmed

**T**ONY Blair unleashed the whole of the Downing Street and party machine against his blunder-prone mentor, Lord Irvine, yesterday after the Lord Chancellor's comments on press privacy and the Robin Cook affair.

Mr Blair made it clear he did not favour gagging the press, and delivered a humiliating put-down to Lord Irvine, who had been Mr Blair's head of chambers when the Prime Minister embarked on his legal career.

It is unprecedented in this nine-month-old Government for such a senior minister to be so conspicuously left out to dry. The Lord Chancellor has made a series of miscalculations in the past few months.

A copy of an interview in the New Statesman, in which Lord Irvine supported provisions to force newspapers to prove there was a public interest before publishing stories such as that involving Mr Cook and his mistress, Gaynor Regan, was faxed from Downing Street to Mr Blair and his chief press secretary, Alastair Campbell, in Washington. The response was unequivocal: there will be no privacy law, formally or informally.

Much of the anger in government and party circles was directed at Lord Irvine for resurrecting the Cook affair just as it appeared to be dying away.

Downing Street, alarmed that Lord Irvine's view would be seen as the Government's, distanced the Prime Minister from the Lord Chancellor. Mr Blair's spokesman said: "The Prime Minister's view very strongly is there will not be a privacy law by the front door or by the back door."

He added that self-regulation was the key.



**'We do not have a scheme to gag the press from writing legitimate stories. I do not know anyone other than Derry Irvine (above) who thought the Cook story was other than a legitimate one to write'**

Labour spokesman

A Labour spokesman said: "We do not have a scheme to gag the press from writing stories that are legitimate. I do not know anyone other than Derry Irvine who thought the Robin Cook story was other than a legitimate one to write."

There was little sympathy among Labour MPs for the Lord Chancellor. The latest incident comes on top of controversies such as the cost of wallpapering his office and his portrayal of himself as a latter-day Cardinal Wolsey.

One senior Labour figure, asked if the Lord Chancellor was now a liability, raised his eyes to the ceiling to signify agreement. But the Lord

Chancellor remains too close to Mr Blair to be ditched.

One Labour MP supportive of the Lord Chancellor, Lewis Moonie, said: "The Lord Chancellor is 100 per cent right. A law of human rights with a presumption of privacy means there must be a statutory right."

But Lord Wakeham, chairman of the Press Complaints Commission, in a letter to Chris Smith, the Culture Secretary, underlined his concern at the use of "prior restraint" orders to gag newspapers. He said they would often be used by people in the public eye with something to hide.

Judging whether something was in the public interest, a defence against a gagging order, was almost impossible.

"Many stories, and we can all think of high profile examples, have begun with what appeared to be an intrusion into privacy," the letter said. "Many of them have finished up exposing matters of corruption or hypocrisy that it was in the public interest to expose."

Lord Wakeham said that finding newspapers which ignored PCC orders would cause "enormous difficulties" as the commission was a voluntary body set up by the newspaper industry itself.

"I am quite clear that powers of censorship would make the system impossible to run and it is not one that, as a democrat, I would ever want to run."

The shadow home secretary, Sir Brian Mawhinney, said that Lord Irvine was allowing the power of office to go to his head.

"I think he is determined to have privacy legislation even while the Prime Minister goes around saying that he doesn't want privacy laws."

"They are doing it in a way which will allow judges, or somebody else, to take the blame."

Leader comment, page 12

That special relationship



Tony and Cherie Blair are welcomed to the White House by Bill and Hillary Clinton yesterday

PHOTOGRAPH: MARK WILSON

## No more lies as Bill and Tony find true love at the White House

Martin Kettle in Washington

**T**HE question that the world has been asking for the last fortnight was finally answered in the affirmative yesterday. Yes, Bill Clinton did have a passionate affair in the White House Oval Office. But it wasn't with an ambitious 21-year-old woman. It was with an ambitious 44-year-old man called Tony Blair.

There were no more denials as the starry-eyed couple paraded for the cameras yesterday. No more evasions as they finally shared their mutual delight with the world. Last week Mr Clinton angrily refused to go into any detail about the nature of his affairs. Yesterday the details simply poured out of him. Hillary Clinton and Cherie Blair could only stand and stare, dumbfounded.

The couple had hoped to be able to celebrate their special relationship in a sun-kissed ceremony on the White House south lawn with lots of guests, a band and even a 19-gun salute. Freezing horizontal rain drove the pair inside but nothing could dampen Mr Clinton's spirits or those of his bashful consort. In the Grand Foyer were waiting the two men declared their true feelings.

"You have invigorated Britain," Mr Clinton trilled. "You have issued an exhilarating call for a proud people whose best days clearly still lie ahead."

Last week it was revealed that Monica Lewinsky sent Mr Clinton a Valentine through the columns of the Washington Post in which she quoted from Romeo and Juliet. Yesterday the president offered Mr Blair an early Valentine's poem of his own, quoting T. S. Eliot. When an older man loses

his head to a young love he does and says strange things. So it was with Mr Clinton. "At the end of a century of friendship let us pledge to connect our storied past to the unwritten promise of our future," he enthused.

Then it was the turn of the man who has turned Mr Clinton's head. "Bill Clinton has said some very kind things about me," the blushing visitor admitted. "Now let me say something about Bill Clinton."

"As the next few days unfold, I know the ties between us will strengthen further," Mr Blair assured us. "In the next three days we will spend many hours together and discuss many issues. We do so with a shared language, shared values and a shared determination to stand up for what is right."

An hour or so later, the couple posed again, this time in the Oval Office.

American journalists tried to ask questions about Ms Lewinsky but Mr Clinton brushed them aside, not angrily as he did last week but confidently and cheerfully, as though he could now put that messiness behind him and concentrate on what Mr Blair called "a new and modern relationship for a new century".

Then a band of British journalists, including several from newspapers that Mr Blair has taken to describing as Labour supporters, asked a lot of cruel questions about whether Mr Blair approved of his new friend's past. Mr Blair's best man, Alastair Campbell, had told them not to do that.

Last night the couple celebrated with a magnificent banquet in the White House, accompanied by Sir Elton John at the keyboard. Steven Spielberg was there too, so the wedding video should be pretty special.

Inside

Britain

World News

Analysis

Comment and Letters 12  
Crossword 14  
Crossword 16  
Sudoku 17  
Quick Crossword 18  
TV, Radio & Weather 16



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## "Policeman caught speeding at Express Till."

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## Sketch

## Our daily bread and filibutter



Simon Hoggart

AN McCartney (Lab, Macclesfield) may be the most sincere minister in the Government. A short man, as broad as he is tall, his whole body is crammed with passionate intensity. I have seen Space Hoppers with longer necks.

His body is like that tight plastic film electrical goods are packed in; if his beliefs were ever to burst out of his skin, you'd never squeeze them back again.

Tories adore him, because he is so completely and entirely the opposite of Peter Mandelson. Whereas the Minister Without Portfolio is sly, secretive and silent, Mr McCartney is open, outspoken and over-excited. And yet they know who will win in the end. All comedy derives from the contrast between human aspiration and real life: bit by bit, real life is creeping up on Mr McCartney, and the Tories are loving every moment.

Mr McCartney's great cause in the national minimum wage, by which he means the national minimum wage. In his view it should apply to everyone, all round the country, in every age group and every field of work.

Mr Mandelson, we know, would like to trim it down, removing young people, persons in certain trades and people in various deprived regions, until the law applied to a single individual: possibly a 37-year-old machine tool grinder in Walsall. Mr McCartney wants it to apply to hamburger flippers, single mothers stuffing envelopes at home, even soldiers.

Yesterday the Government had to execute a hand-saw on soldiers. After pressure from the Ministry of Defence, they decreed the minimum wage would not apply to the armed forces. It may prove to be the first of many such exemptions.

Philip Hammond (C, Run-

nymede) decided to wind Mr McCartney up. He uncoiled himself and enquired, diffidently at first, what representations he had received from fellow ministers since the Government yesterday "suffered a humiliating U-turn, having to disavow the bill to the armed forces". It had been "a spectacular victory by the Defence Secretary in his battle against the Department of Trade".

Mr McCartney always begins his reply slowly and calmly. Then his rage and righteous wrath begin to take over. The Scottish accent, easy to understand at first, thickens and speeds up so that consonants disappear like clinkers down a coal hole.

As the revs increase, his body begins to shake, only the vowels being spat out at random.

At the accent broadens these too become incomprehensible, so that by the end of each reply one is only aware of a spherical ball of shuddering humanity, emitting strange high-pitched squeals, like bats in a highland bog.

At one point he accused the Tories of "filibuttering" in the committee, and suddenly Mr Hammond reminded me of a hapless diner faced with a Chicken Kiev, prodding it with his fork and finding himself covered in a spray of hot, garlicky filibutter.

"The Government has no had a humiliating U-turn, we are wee' on the way to 'slab'bing a meenium wedge, the and forces ah curvy by Pay Review. And, so they ever worker in Brin will have a bo' deeling their pay, for ho' wurkers, agency wurkers, fahms ..."

There was, he said, absolutely no reason to force holiday and catering employees to receive poverty pay any longer. He spoke as a former low-paid catering worker himself. Why, he enquired (I had his remarks translated for me by a Scottish colleague) was it that the demands all came from the highly-paid people on the Tory benches?

"We get the same as you!" Tories shouted merrily. But somehow the smiles and laughter died away. Sincerity and commitment like Mr McCartney's are rare in the Commons, and in the end they don't quite know how to cope with it.

China and Russia vow to block attack on Iraq □ Blair stands by US as French hostility increases

## UN allies round on Clinton

Mark Tran, Martin Kettle, Julian Borger and Ian Black

**R**USSIA and China, strongly backed by France, issued a stark ultimatum to the United States yesterday, warning that they would do their utmost to block the threatened Anglo-American attack on Iraq, including use of their vetoes in the United Nations Security Council.

"We have firmly adopted a stance of saying 'No' to the force scenario. It is impossible, it means a world war," President Boris Yeltsin insisted for the second day in a row. "We must not allow a strike by force, an American strike. I told Clinton about it: no, we shall not allow that."

In a simultaneous move that suggested the two countries were working closely together, China set aside its habitual low profile and sent a blunt message to President Bill Clinton and his only firm ally, Tony Blair.

"China is extremely and definitely opposed to the use of military force because its use will result in a tremendous number of human casualties and create more tur-

moil in the region and even could cause new conflict," the foreign minister, Qian Qichen, said on state television.

Both Russia and China are permanent members of the UN Security Council, whose collective authority the US and Britain are pledged to uphold, not least with respect to Iraq.

Deepening Mr Clinton's and Mr Blair's isolation, France — the fifth permanent member — also exhibited growing hostility.

Hubert Vedrine, the French foreign minister, said France had "no intention of associating itself with the threat of military action. The US 'must consider the fact that apart from the British, no country has said it favours, in principle, the use of force'."

France, backed by Russia, claimed diplomatic efforts to resolve the dispute over inspections of Iraq's suspected weapons sites were making progress amid reports that the two governments had put forward a joint compromise.

The French special envoy, Bertrand Dufourcq, left Baghdad yesterday saying he was bringing back "concrete proposals" for a peaceful settlement. "We believe the diplomatic solution can end the

crisis, therefore discussions should be continued until a settlement is reached," he said. Speculative reports from Baghdad suggested that the Franco-Russian proposal involved Iraq dropping its ban on UN inspections of 45 presidential compounds in return for face-saving concessions.

But as Mr Blair joined Mr Clinton at a White House press conference, the comrades-in-arms kept up their ever-noisier drumbeat of

Not to be outdone, Mr Clinton added: "We have a difficult decision we are facing now as a country, and as an administration, because of the concern all Americans have that we not expose our children if we can help it to the dangers of chemical and biological warfare."

Further stoking fears of conflict, British officials hinted that military action might commence on or soon after February 14.

**'Saddam controls the people of Iraq through fear and through military forces. If his military force is badly hit, his own position will be badly undermined'**

threats and coercion, apparently intent on wringing more concessions out of Saddam Hussein or, failing that, going to war.

"We will obviously try to make sure that any action we take is taken as humanely and sensitively as possible, but it has to be action that prevents [Saddam] from developing these weapons of mass destruction," Mr Blair told US television.

The Pentagon confirmed that the US would send additional forces to the Gulf, including 2,000 marines equipped with amphibious landing craft and yet more combat aircraft to supplement 24,000 US military personnel already in the region.

The US believes it needs no further legal justification or UN Security Council resolution before launching its aircraft but Russia and China

backed by power of veto, insist that existing resolutions do not give the US and Britain the green light to act in the name of the UN. Britain is drafting a resolution to try to overcome the impasse.

As a hostile armada gathered in the Gulf, President Saddam made a dramatic bid to counter US efforts to raise Arab support for military action, by ordering the release of all foreign Arab prisoners from Iraqi jails.

During a whistlestop tour of the Gulf yesterday, the Foreign Secretary, Robin Cook, obtained conditional Saudi support for military strikes, and firm backing from Kuwait. The Saudi government warned President Saddam that he would be responsible for the "dire consequences" if he failed to back down.

Mr Cook suggested that Russian diplomacy was beginning to bring concessions from Iraq. But he hinted clearly that if diplomacy failed, military action would be planned to undermine President Saddam's regime.

"Saddam controls the people of Iraq through fear and through military forces," he said. "If his military force is badly hit, his own position will be badly undermined."

**Austin**  
FOUR OLD COLONY HAD TO WAIT FOR A CLEARANCE



And in remarks that will alarm Arab governments and Turkey, Mr Cook added: "Iraq is a lively coalition of different groups. If there is a vacuum — in a way that frankly we might welcome — there could be consequences for the break-up of Iraq."

He later modified his remarks: "It is part of our policy to retain Iraq as a single state but if there is military action no one can predict the consequences."

Cook courts Saudis, page 8

## Review

## Coup d'état as venal pub play

Michael Billington

Richard III  
Pleasance Theatre

**W**E HAVE seen Richard III played in every style and period. So why not, as in Guy Retallack's production at the very pleasant Pleasance Theatre in north London, as a study of East End, 1960s Kray-style villainy? The short answer is because, although gangsters may have aspects of Shakespeare's Richard, he himself is infinitely more than a gangster.

You can, of course, update the play. Both Richard Eyre's National Theatre production with Ian McKellen and the subsequent film set the action in an imagined 1930s fascist Britain and provided a fascinating piece of alternative history. But where that version retained, and even sharpened, the play's political dimension, Retallack's production drains the action of any public significance.

Here the whole play takes place in an East End pub and becomes a power-battle between rival gangland factions. It starts with an effective dumb-show in which Richard strangles one of the opposition with a tie. Trouble-makers are despatched to the cellar rather than the Tower. And a certain amount of textual relocation takes place: thus false, fleeting perjured Clarence is alleged to have stabbed a rival in the field at Bermesley rather than Tewkesbury.

But the treatment of the play as a gangland fable is reductive rather than enlight-

ening. In Shakespeare's play what is at stake is a whole kingdom; here it is simply an East End pub. The crucial point comes when Buckingham offers Richard the tempting prospect of "the supreme seat, the throne majestic" and, on uttering those words, simply points to a bar stool.

The play's politics also get thrown out of the pub window. The key point about Shakespeare's play is that Richard and Buckingham, in seizing the throne, take the greatest care to act constitutionally: as Peter Hall once pointed out, it is the classic coup d'état achieved with legal sanctions. Once you put it into a gangland setting, it simply becomes a study of monomania.

The evening has its compensations. Eddie Marsan as Richard is a plausible, sharp-suited gangland boss with a nice line in sardonic humour: having slaughtered most of Elizabeth York's relatives he gets a good throwaway laugh with the line "Men shall deal unadvisedly sometimes".

Michael Matus is an interesting Lord Buckingham: exactly the kind of bow-tied, Establishment figure who gets his sexual kicks from hanging out with low-life villains.

David Weston's George Stanley, secretly telephoning news of his defection from Richard's party, and Ruth Platt as Elizabeth, strangely attracted by the hero's monstrosity, are quietly effective.

But, in the end, it seems more like an exercise in ingenuity than a plausible rendering of the play. The effect is of Jee Butterworth's Mojo delivered in blank verse rather than an exploration of Shakespeare's complex history.

## In The Week tomorrow

## Heroin chic: the truth

Models speak out about drugs in fashion

## Top Gun revisited

What drives a fighter pilot to play with death?

## Plus Meet Sir Peregrine

## V &amp; A head savages squeeze on arts cash

Attendance falls while cutbacks threaten museum's expertise and role in serving the public

Dan Gjalster  
Arts Correspondent

**T**HE director of the Victoria and Albert Museum yesterday attacked government spending on the arts as figures were released showing a 15 per cent fall in attendance at the museum, which introduced admission charges in October 1996.

Alan Borg said the spending squeeze was endangering the expertise for which the V & A was renowned. "We are losing all those things that museums ought to be about," he said. "We're going to lose the expertise of staff, we're going to lose the ability to provide services to the public. Institutions like this cannot survive."

Dr Borg criticised the dependence of arts organisations on the Lottery, and warned that cuts could mean the closure of galleries within the V & A, as well as the loss of some positions and a reduction in purchases.

"There has to come a point, and we are very close to it, when we say as a nation, 'Do we want institutions like the V & A to function as the national memory?' If we want them we have to pay for them. The bloodstream of the nation should not rely on a game of chance to fund it."

The Bowes Museum in Durham is facing proposals to sell paintings by El Greco, Goya, Turner and Canaletto to stave off budget cuts, or to close for five months of the year. The Buckinghamshire County Museum, which houses the Roald Dahl Children's Gallery and was named museum of

the year two years ago, is also facing cuts, which could mean the loss of half its staff, including its director. The Manchester City Art Gallery has had its purchase fund eliminated due to cuts.

Dr Borg challenged the manner in which the arts were being treated like other economic sectors. "Ultimately scholarship and knowledge cannot be subjected to that sort of efficiency audit," he said. "The issue is central funding. You've got to get to the centre, to the Treasury. We can make lots of positive arguments. The contribution of museums to things like tourism is enormous."

His comments follow criticism from the theatre director, Sir Peter Hall, of the Government's funding of the arts.

The latest figures show that the V & A's attendance has suffered since the introduction of charges in October 1996.

The 12 months after the introduction of a £5 charge saw a drop of 15 per cent, from 1.22

million to 1.04 million. The fall comes despite assurances that visitors would not be deterred by charging, and a pot on the back from the Government, which noted "the successful introduction of admission charges with no evidence of a drop in visitor numbers and little adverse criticism".

The decline also means that the V & A is one of the most heavily subsidised museums, receiving a £7.25 in grant for every visitor. The V & A receives £29.1 million government funding.

It raises a further £9 million through sponsorship, trading and royalties. It received a £7.25 in grant for every visitor. The V & A receives £29.1 million government funding.

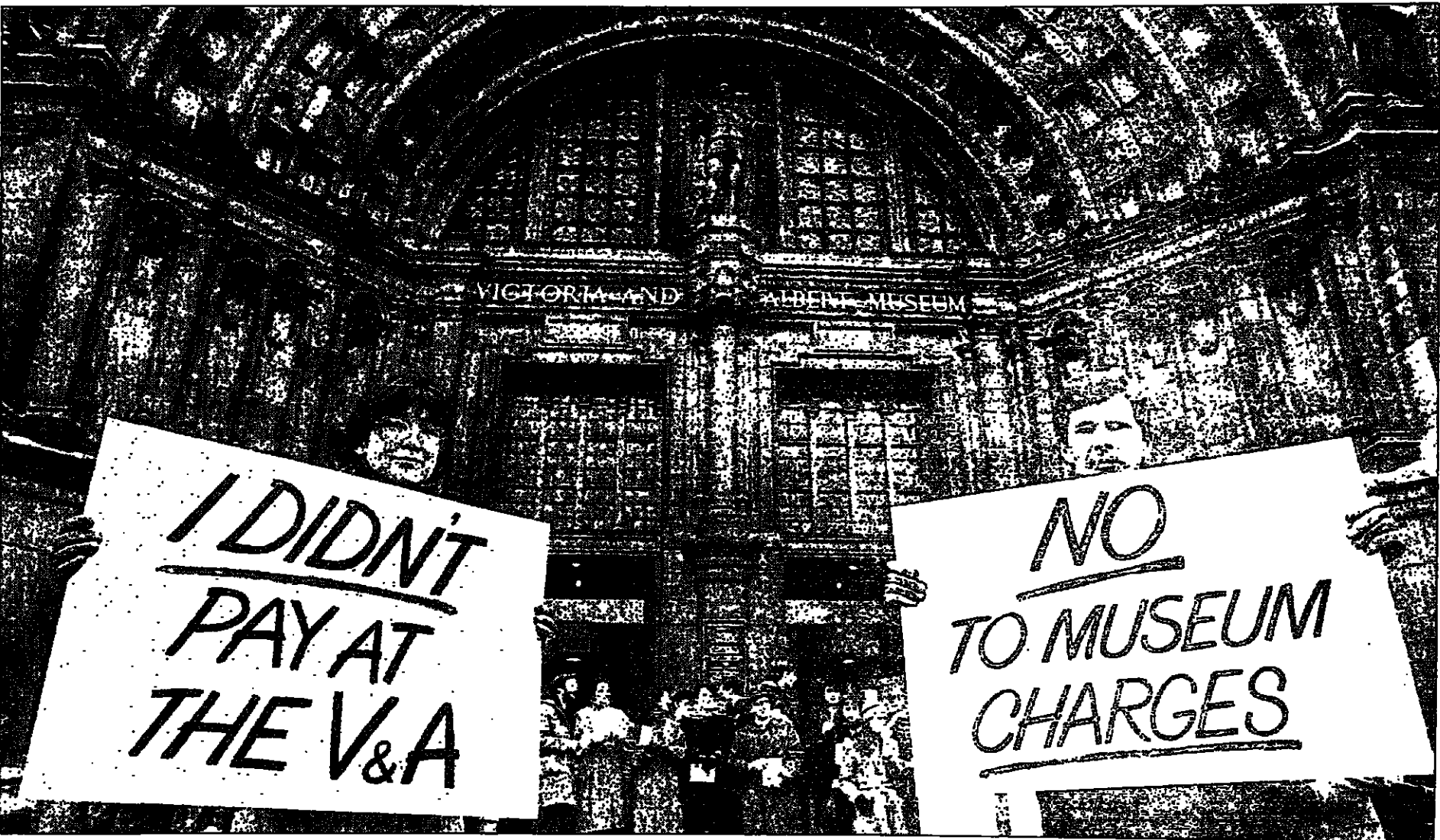
Admission charges bring in £2.4 million in income, making them eligible for £1 million in VAT relief.

Jennifer Edwards, of the National Campaign for the Arts, said: "The Government expects museums to survive on less and less every year and something has got to go."

Dr Borg added: "We no longer have the expertise we should have in several key areas, including watercolours, stained glass collection and delfware."

**'Institutions like this cannot survive. Do we want such museums to function as the national memory? If so, then we have to pay for them'**

Alan Borg, V & A director, left



Demonstrators outside the Victoria and Albert museum protest against charges. Attendance has fallen 15 per cent since they were introduced in 1996

PHOTOGRAPH: GARRY WEASER

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'He has introduced rampant commercialism and made the lives of programme makers like me a misery. It is creatively impossible for me to remain.'

Michael Wearing on John Birt



Michael Wearing, whose announcement yesterday that he was quitting the BBC is an embarrassing blow for the corporation PHOTOGRAPH: NEIL LIBBERT

## 'Stifled' BBC drama chief quits

Kamal Ahmed on the departure of the man behind some of the most successful British serials

THE MAN behind some of Britain's most successful television dramas, including *Boys from the Blackstuff*, *Our Friends in the North* and *Pride and Prejudice*, is to quit the BBC because of a management style which he claims is stifling creativity.

Michael Wearing, who has been head of drama serials since 1989, told the *Stage* newspaper he would be leaving next month after a series of run-ins with the corporation's senior management, including the controller of BBC1, Peter Salmon.

He said John Birt, the corporation's director general, was guilty of a "sub-LA" style of management. He had introduced "rampant commercialism" and had "made the lives of programme makers like me a misery. It is creatively impossible for me to remain."

Mr Wearing's departure is an embarrassing blow for the BBC. He is widely regarded as one of the country's top commissioning editors, with a string of hits behind him. Other successful commissions include *House of Cards*, *Dennis Potter's Karaoke* and the critically acclaimed *Tom Jones*.

He is also credited with the BBC's successful move into costume drama.

His outspoken attack is the latest in a sustained offensive led by senior drama producers and writers against a BBC management style described by some as Stalinist.

In an address to the Drama Forum in November, Tony Garnett, the television producer behind *Cathy Come Home* and *This Life*, said Mr Birt oversaw a corporation characterised by the macho culture of the late 1980s. "They too often behave like arrogant bullies."

Other attacks have come from John Tusa, the former managing director of the World Service, and Charles Denton, the BBC's former head of drama.

Mr Wearing, aged 58, said a clash between him

and Mr Salmon was "the straw that broke the camel's back". The row came over a television adaptation of the novels of Janet Neel, author of popular mystery thrillers including *Death of a Partner* and *Death Among the Dons*.

Mr Wearing wanted to commission the serial, written by Jeff Case, but was blocked when focus-group research found that viewers might find the plot, which included characters in the Civil Service, boring.

Mr Wearing is known to be fundamentally opposed to American style "demographic testing", which he says now overrules the instincts of drama bosses.

"Would focus groups have ever said yes to the *Slinging Detective*, a story about a man with hideous scars?" said Kenneth Trodd, televi-

sion producer and close friend of Mr Wearing. "Would they ever say yes to *Pennies from Heaven*, with an unknown actor called Bob Hoskins miming to old 78s?"

"Michael has had enough. It is frustration that is driving him out."

At a party hosted last week by the Canadian High Commission to mark the run up to the Banff Television Festival in June, Mr Wearing told Sir Christopher Bland, the BBC chairman, that drama was suffering because of new management techniques.

"I think Sir Christopher suddenly realised he had an important engagement somewhere else in Mayfair," said Mr Trodd, who was also at the party.

Mr Wearing said he would not be travelling to Canada for the festival, which has

been dedicated to BBC drama. Rumours have already started about possible replacements for Mr Wearing, who is said to be discussing film deals with various production companies.

Peter Anson, the former head of drama at Channel 4, who left with the arrival of the new controller Michael Jackson, and David Snowdon, a senior producer at the BBC who is working on the adaptation of *Great Expectations*, have been mentioned in connection with the job.

A BBC spokesman pointed out that Mr Wearing was nearing retirement age and was likely to leave as soon as he finalised his future plans.

Defending the BBC's management, he said: "The BBC is going through a period of great change and we have to be competitive."

### What they say about John



'You cannot make a pair of croak-voiced Daleks appear benevolent, even if you dress one of them in an Armani suit and call the other Marmaduke'

Dennis Potter on John Birt and former BBC chairman Marmaduke Hussey, 1993



'Personality cuts and too much power in one person's hands always weaken organisations. In the corporation today there are too many managers who appear to be saying John Birt is the BBC and the BBC is John Birt'

Mark Tully, former BBC Asia correspondent, 1993



'My last three years were as tough and satisfying as any I can remember, despite the Orwellian management structures at the BBC and despite the totally bogus tyranny of BBC management theory'

Charles Denton, former BBC head of drama, 1996



'We now have an industry run by managers with the mentality of 18th and 19th century mill owners. Where workers are costs, not assets, where slashing overheads is more important than nurturing talent, where fear and loathing are poisoning creativity'

Tony Garnett, producer, *Cathy Come Home*, *This Life*, 1997



'The Birt/Bland BBC is drawn up on a Thatcherite-managerial blueprint. For five years their talk has been commercial and managerial; their rejection of public service values ... contemptuous'

John Tusa, ex-managing director of World Service, 1997

## Gold star on the wane

Pupils would do better assessing their own work, report claims

Vivak Chaudhary Education Correspondent

A BIT of encouragement from teachers is more effective than giving pupils 10 out of 10 for their homework, or even a gold star. But if a gentle word fails to get even the laziest of pupils going, then how about getting them to assess their own work?

A report published today says teachers should stop marking schoolwork because it demoralises many pupils, and abandon competition in the classroom, such as the handing out of gold stars for those who do well.

The report, compiled by Paul Black and Dylan Williams of King's College, Lon-

don, claims that getting pupils to assess their own work and teacher feedback can improve average achievement by as much as two GCSE grades per pupil.

Professor Black, architect of the first proposals for National Curriculum testing and assessment, said: "If you have a competitive culture in the classroom it's fine for those who do well but demoralising for those who don't. It leads to pupils concentrating on competition rather than on their learning needs."

The authors of the report, Inside the Black Box, looked at 600 international studies, involving more than 10,000 pupils on the effects of marking and positive feedback on pupils.

They claim pupils who are

given feedback and encouragement do much better than those given marks out of 10.

The report adds: "Pupils who get poor marks are led to believe they lack ability... so they retire hurt, and try to build up their esteem in other ways."

Dr William denied the use of a "soft option" in the classroom. "It's very hard edged. It would make things difficult for teachers."

"We know this is hard to do. We also know that when it happens, it works."

The report also claims that the Government's emphasis on testing in schools, and school league tables, is counter-productive "and only helps reinforce low-achieving pupils' sense of failure".

This week Chris Woodhead, chief schools inspector, criticised the quality of assessment in many primary and secondary schools.

An earlier Ofsted report stated that poor marking "reinforced under-achievement and under-expectation".

Not surprisingly, the claims in the report have led to the raising of a few sceptical eyebrows from those in the education world.

A spokeswoman for the National Union of Teachers said: "Things like gold stars, little badges and house points are used in a positive way by teachers and encourage good behaviour and hard work."

"Self assessment can work in the sense that a teacher can discuss any problems with the pupil, but you can't have children marking their own work. It just wouldn't work."

Dimitri Coryton of the Conservative Education Association said: "The reality is that children will face competition throughout their lives and you can't eliminate it from the classroom."

## Heat on for the ice pack underdogs

John Duncan Sports Correspondent

IT INVOLVES 3,000 athletes, the sponsors chip in \$200 million (\$125 million), television companies pay \$513 million, a million people will pay to watch it live, and all the British ever remember is Eddie the Eagle and the Jamaican Bobsleigh team. Welcome to the Winter Olympics.

They get under way in Nagano, Japan today with the usual crop of well drilled Austrians and Swiss, a smattering of tear-

ful Americans and a huge audience of appreciative Japanese. As usual, British interest is likely to focus on the ice pack underdogs.

First among them is the Indian luger Shiva Keshavan, who has only been hurtling down an ice track feet first for two years. Keshavan, born in the Himalayas, is his country's only representative in Nagano. "In India, there are no huge courses," he says. "We have all the resources for huge but no facilities."

But he will be run hard for underdog support by Philip Boit and Henry Bi-

tok, who make up the Kenyan cross-country skiing team. Both are accomplished athletes away from the snow but only skilled for the first time two years ago. Intensive training and 18 months in Finland have improved their chances.

"It was so cold on our first night in Finland," said Bitok. "Instead of sleeping, we stayed up talking about going home."

The Jamaican bobsleighters are back - but are said to be boringly respectable nowadays. Bermuda has a luger, and copycat bobsleighters have popped

up all over the Caribbean since the film *Cool Runnings* - Trinidad and Tobago have one and Puerto Rico too, their pilot by Liston Bochette, a San Juan artist.

Bochette is a long way from being the bobsleigh pilot with the best prospects. Albert Grimaldi lists his profession in the official booklet as "heir to the throne of Monaco".

Perhaps the oddest part of the bobsleigh and luge competition this year was put there by the organisers - much of the course is uphill.

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Roger Milla on the African Nations Cup

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Harold Pinter said he was willing to make a stand against weapon sales to Turkey and approved a sit-down demonstration outside Farnborough Arms Fair. PHOTOGRAPH: MARTIN ARQUES

## Pinter challenges 'ethical' foreign policy

Playwright backs demonstrators found guilty of obstruction during protest over weapons to Turkey

Owen Bowcott

THE playwright Harold Pinter yesterday turned in a forthright performance at Aldershot magistrates' court challenging the effectiveness of Labour's "ethical" foreign policy.

Appearing as a character witness for one of the five people found guilty of obstructing the highway outside Farnborough Arms Fair, Mr Pinter, aged 67, declared that he, too, was opposed to continuing sales of British arms to countries such as Turkey.

This (sit-down) protest was entirely consistent with the ethical foreign policy of Her Majesty's Government, he told the stipendiary magistrate.

"The Foreign Secretary said that Britain would not sell arms to countries using them for internal repression."

Mr Pinter has long been a critic of Turkey's treatment of its Kurdish minority.

It should have been a short criminal trial about blocking a street in Aldershot, Hampshire, one day last summer. There was police video footage of protesters being read

their rights, arrested and lifted off the tarmac. There were innumerable witnesses to the demonstration, which blocked Government House Road, outside the Royal Navy and British Army equipment exhibition — traditionally a commercial showcase for British military hardware.

But ingenious exploitation of the 1967 Criminal Law Act allowed the five defendants — Mark Campbell, aged 35, from London, Mark Brown, aged 33, also from London, Lynn Bliss, aged 46, from Luton, Bedfordshire, Steve Tindle, aged 25, and his 50-year-old mother Lydia Tindle, both from Gateshead, Tyne and Wear, — to use the court to question Britain's weapons exports.

Arguing that they were deploying reasonable force to prevent a greater crime, the

defendants introduced evidence about Turkey's bleak human rights record.

The executive director of the London-based Kurdish Human Rights project, Kerim Yildiz, said Turkey had been found guilty in the European court of breaching the human rights convention. More than 3 million people had become refugees because of the war in Kurdistan, south east Turkey and more than 3,000 villages destroyed by the Turkish army.

Mr Pinter became involved in Turkish issues after he visited the country with the American playwright Arthur Miller in the 1980s.

"We spent 10 days talking to people who had been arrested and tortured," he explained outside the court. "It's an obscene situation and it's hardly being reported. It

amounts to an act of genocide." By selling arms to Ankara, Britain was supporting the Turkish army, he said.

The statement by the Foreign Secretary, Robin Cook, last July that Labour would not "permit the sale of arms to regimes that might use them for internal repression or international aggression" had been "uplifting at the time".

But "unfortunately this was not born out," Mr Pinter said. "The Labour government seems to be disappointing us in a number of ways."

The playwright's involvement in Kurdish issues last brought him to public attention when Scotland Yard officers raided a rehearsal of his play *Mountain Language* being rehearsed by the Kurdish community in North London.

Officers mistook actors wearing balaclavas and carrying imitation guns for terrorists.

Asked if he would take part in a similar sit-down demonstration outside the next Farnborough Arms Fair, Mr Pinter replied: "I am game."

The defendant Mark Campbell told the court that since the arms fair Turkey had placed an order with British Aerospace for 200,000 Heckler and Koch assault rifles to "use against the Kurdish people".

All five defendants, who had pleaded not guilty, were given conditional discharges for nine months.

Ms Tindle, who is a mature student was ordered to pay £50 costs. The others were each told to pay £250.

They plan to appeal against their convictions.

### News in brief

## Inquest verdict on 'liftsurfer' aged 10

A 10-YEAR-OLD "liftsurfer" died of a fractured skull after falling eight floors of a tower block, an inquest heard yesterday. A jury in Wakefield took less than an hour to return a verdict of death by misadventure on Paul Illingworth, who toppled from the lift roof in Swardcliffe, Leeds, while illegally riding it with two friends.

The American-inspired craze has led to the fitting of extra security measures in tower blocks by Leeds city council. A council spokesman said after the inquest: "The lesson of this sad affair is not to meddle with lifts."

— Martin Wainwright

## Attack victim's memory fails

A CZECH student who was sexually assaulted and left for dead in the toilet of a train has no memory of the attack or the hours leading up to it, police revealed yesterday. British Transport police officers had hoped the 19-year-old, who was found unconscious in a blood-drenched cubicle of a Hastings to Charing Cross train, would be able to describe her attacker.

But the victim, who is still in intensive care and has answered questions by moving her eyelids, cannot remember anything after 9.30 on the morning of the attack, January 25. Police now believe she was attacked between getting on the 1.11pm train at Hastings and when it arrived at Tunbridge Wells just before 2pm.

## Man cleared of arson murders

A MAN was acquitted yesterday of murdering a neighbour and her baby son in a Christmas Day arson attack. Anthony Watkiss, aged 30, from Wolverhampton, who lost two of his own children in a separate fire, sobbed as the jury returned not guilty verdicts at Stafford crown court after seven hours of deliberation.

Watkiss had denied killing Michelle Bone-Knell and her son, 18-month-old Damian Perrins, by pouring petrol through their letterbox and setting it alight. Miss Bone-Knell, her partner Graham Perrins, Damian and the couple's daughter, Chantel, aged two, were trapped in the house in Bushbury, Wolverhampton, after their house caught fire in December 1994.

Stafford crown court was told Mr Perrins desperately tried to save his family but only Chantel survived. Colman Treacy, QC, prosecuting, said Mr Perrins eventually fell out of his children's bedroom window on to his car parked below. Mr Treacy alleged that Watkiss set fire to his neighbour's home because of the noise he had had to endure in the run-up to Christmas. Watkiss said he had tried to help save the family and was in shock after the fire.

The jury returned not guilty verdicts to murder and manslaughter charges on the deaths of Miss Bone-Knell and Damian Perrins.

## London prices soaring

THE cost of living in London has rocketed, making it the 10th most expensive place on earth to live, new figures showed yesterday. In just one year, London has jumped from 28th place in a league of the world's most expensive cities. It is the fifth most expensive European city behind Oslo, Zurich, Paris and Geneva.

The figures were unveiled in the Economist Intelligence Unit's worldwide cost of living survey. It blames the rise in the cost of living in London on the strength of the pound. According to the survey, Tokyo and Osaka continue to be the world's most expensive cities.

Tehran is listed as the cheapest in the survey of 121 cities, taking the place of Bombay.

## Paint job for crash bridge

THE most hit railway bridge in Britain is being painted canary yellow to try to stop drivers crashing into it. Since it opened in 1979, the Whitehouse Road bridge in Swindon, Wiltshire, has been hit by more than 160 buses and lorries which are too tall to pass underneath.

A spokesman for Railtrack, which is responsible for its upkeep, said: "We are not really sure why this bridge seems to cause quite so many problems. The bridge is clearly marked as being 10ft high, but drivers say they don't realise how tall their vehicles are."



The shelter in Berwick-upon-Tweed, left, which faces demolition because it is unsafe, features in L S Lowry's 1939 painting. PHOTOGRAPH: WILL WALKER

## Demolition threat reminds Berwick it loves Lowry

John Ezard

EVEN in its heyday, the beach shelter which caught the artist L S Lowry's eye 58 years ago had a touch of Tesco's about it. Now the witch's hat roof which gave a dash

of poetry to the lines of his paintwork has been almost flattened. How this occurred is one of the many mysteries of life in Berwick-upon-Tweed.

"Ravages of time?" Jim Rowley, chairman of Berwick civic society, guessed last night; the same ravages

which have, since Lowry called his canvas Berwick Pier, holed the roof, rotted the seats, blown away the sand dunes and made unrecognisable many of the other townscapes in which he set his matchstick children and starveling dogs.

Yesterday, however, Berwick borough council announced a plan to bulldoze the remains of the shelter, and suddenly almost everybody wanted to save it, including the civic society, which met last night to discuss the emergency.

"The council has opened a can of worms," said Brian

Martin, owner of Three Feathers art gallery, which displays a copy of the painting. "It is a local landmark, very popular with tourists and art lovers who follow Lowry's trail to find out what his inspirations were. I feel strongly, along with a lot of people, that it should be preserved as an important artistic heritage."

Elsewhere, talk began of a National Lottery bid or an appeal to Lowry's heartland, Salford, where £127 million including lottery funds is being spent on a new Lowry Centre.

Chris Budzynski, borough surveyor, said: "The reason the shelter is coming down was because it is getting in a dangerous condition and we don't have the money to repair it. But if people think it is so important we may have to review its future."

Mr Rowley said: "It could look pretty decent restored to its former glory. I don't think it's a hopeless cause."

But five law lords unanimously decided yesterday to ask the Luxembourg court for a ruling. The Trades Union Congress, which is co-ordinating the claims, is confident of victory because the European Court has already ruled in a Northern Ireland case that the two-year rule is discriminatory.

In December, the Luxembourg court allowed two part-time mental health workers in the province to backdate their claims to 1976.

John Monks, the TUC's general secretary, said: "We are pleased that the cases will now be heard in Europe and are confident they will win. But it is sad that these part-time workers will have to wait for up to another year for justice, having waited over three years already."

"It is also a pity that employers did not accept the invitation at the start and settle out of court. That would have saved a fortune in taxpayers' money and would have been fairer to part-time workers."

The final outcome will also affect part-timers who have worked as firefighters, college lecturers and bank staff. It was common until the early 1990s to exclude part-time workers from employers' pension schemes.

This is now rare and a European directive giving equal rights to part-time workers will become law in Britain under the Social

## Part-time pensioners get boost from ruling

Claire Dyer  
Legal Correspondent

LOCAL authorities, the National Health Service, colleges and private sector employers are likely to face claims of up to £95 million to cover backdated pension rights of 60,000 part-time workers after a ruling by the House of Lords yesterday.

The ruling follows a 1994 decision by the European Court of Justice in Luxembourg that barring part-timers — mainly women — from occupational pension schemes could amount to sex discrimination. Claims were put on ice pending a decision on whether the workers could backdate their pension rights beyond the two years allowed by English law.

In 24 test cases, the Industrial Tribunal, Employment Appeal Tribunal and Court of Appeal have all held that the two-year limit applied and refused to refer the question back to Luxembourg.

But five law lords unanimously decided yesterday to ask the Luxembourg court for a ruling. The Trades Union Congress, which is co-ordinating the claims, is confident of victory because the European Court has already ruled in a Northern Ireland case that the two-year rule is discriminatory.

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This is now rare and a European directive giving equal rights to part-time workers will become law in Britain under the Social

Chapter by the end of 1999. A ruling from Luxembourg could take 18 months. The TUC said some employers would accept the decision and settle claims, but others might insist that claims went through an industrial tribunal.

If the two-year rule goes, workers will be able to claim pension rights back to April 1976 or the date they started work, whichever is the later. Employers will have to pay in backdated contributions, but a likely condition is that where the scheme is contributory, the worker will have to pay back contributions too.

Unions may provide loans to cover these, repayable when the worker retires. The case, brought on behalf of 23 women and one man, has lasted three-and-a-half years.

The European Court will also be asked to decide whether another rule of English law, that claims must be filed within six months of leaving the job, applies to the cases.

The TUC argues that this would be unfair because it was only when the European Court made its ruling in 1994 that they could have known they had a claim.

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## Festival films to tour UK

Dan Gielster  
Arts Correspondent

PEOPLE'S film festival to rival the Berlin and Venice festivals was launched yesterday by Alan Parker, new chairman of the British Film Institute.

Making his first appearance before the press since taking office, the 63-year-old director announced plans to take his films from the London Film Festival to cinemas around Britain.

"The London Film Festival should be as important as Berlin or Venice, and one day maybe Cannes, but in a totally different way. Berlin and Venice are not exactly shining examples of fantastic festivals... Can the LFF be

better? Sure. Will London ever be more beautiful than Venice? No."

Parker's comments put to rest speculation on the future of the London festival since last year, when an attempt was made to launch a rival event. The LFF has been under siege, as has the institute, and that was why I was brought in," he said. "There's been a lot of squabbling about the LFF which I always found childish."

Backing plans to take festival films on tour, film director Terry Gilliam, an institute governor, hit out at multi-plexes, which dominate cinema-going in this country.

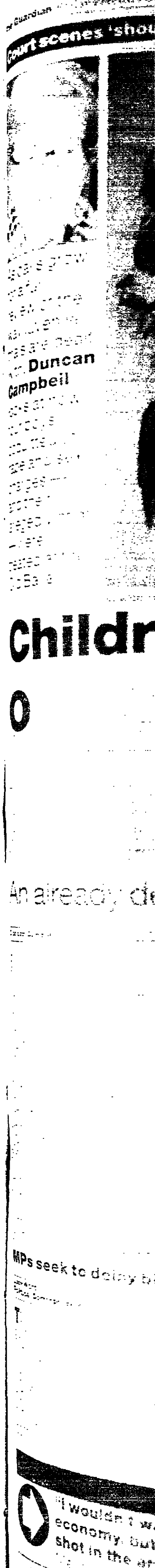
"They were a huge disaster," he said. "They came promising greater choice, but instead of more films you

have the same blockbuster showing on five screens. Hollywood limits what we see. Somehow it's all gone wrong. People have lost the ability to read subtitles."

The public appearances of Parker and Gilliam, and the recent appointment of John Woodward as director, mark a new era for the institute.

Parker promised to put an end to the old ways, beginning by publishing research on the London festival commissioned after last year's dispute. The institute had been criticised for sitting on the findings.

That decision had been taken "by a BFI that we hope will never be again," said Parker. "They were nervous of the press. If we do a good job the press should support us."





# Court scenes 'should never be repeated'



As calls grow for a full review of the way juvenile trials are dealt with, **Duncan Campbell** looks at how four boys acquitted of rape and sex charges — and their alleged victim — were treated at the Old Bailey



An artist's impression of the scene at the rape trial at the Old Bailey and, top left, Mrs Justice Bracewell, who decided there was insufficient evidence to convict

## Children's ordeal at the Old Bailey

ONE of the defendants came into court with a Dandy annual under his arm and spent much of the trial drawing pictures of the journalists who sat on the crowded press benches.

Another defendant sucked his thumb throughout the trial, occasionally gazing at the man in the gown using long words beside him — his defence counsel. A third fidgeted and fiddled, looking in puzzlement at the public gallery. The fourth was dressed like a small boy attending church — neat little waist-

coat, clean white shirt with puffy sleeves, smart long trousers.

The chief witness played with a plastic puzzle as she gave evidence and was asked by the judge whether she was wearing her favourite dress and told how pretty it was.

She was asked by one barrister which Spice Girls song she was singing in the girls' toilets on the day of the incident. When she got tired or irritated giving evidence she would cry and ask for her Mum. She complained that one of the defence barristers was "bugging me" and said "I just want to be a normal girl".

Facing trial at the same time in the same building were two Essex gangsters charged with blowing the heads off three drug dealers in a lane in Essex. Their court was guarded by police wearing flak jackets and carrying automatic weapons. One of the boys told his lawyers he was frightened by the guns.

These scenes, believes Carolyn Hamilton, director of the Children's Legal Centre, should never be repeated. Both her organisation and the National Society for the Prevention of Cruelty to Children have now called for a review of the judicial process involv-

ing children under 14 in such cases.

Malcolm Fowler, vice-chairman of the National Law Society Criminal Law Committee, said: "A really grave allegation of this sort normally does proceed to crown court, so it is not surprising the case ended up at the Old Bailey. But we should look into the way in which the problem is handled on the Continent, where an 'inquiry' takes place. It is more discreet and a great deal takes place in confidence."

There was also criticism about the length of time between alleged offence and

trial, with the incident happening in May last year.

Rape charges for children under 14 are rare. In 1992, there were only two prosecutions and no convictions; in 1994, there were 10 prosecutions and two convictions; in 1995, there were 13 prosecutions and two convictions; and in 1996, nine prosecutions and two convictions.

The Crown Prosecution Service was involved in lengthy consultations with the Metropolitan police and Treasury counsel before the decision was made to prosecute. They decided that on the basis of the evidence given by

the girl to the police there was sufficient evidence for a rape charge. (Mrs Justice Bracewell, the trial judge, decided this was not so.)

Having made that decision, the case had to go to the Old Bailey as the court having jurisdiction in central London for all serious cases referred on by the youth courts. One of the arguments for using a court is that such serious allegations should be exposed to the full rigour of the law.

The defence argued the case should not have been at the Old Bailey and that the incident involved "horseplay" rather than a serious offence.

The CPS take their handling of child cases seriously, according to the CPS inspectorate. In a report on the CPS's handling of child witness cases published last month, the inspectorate concluded: "CPS staff who deal with child witness cases are well motivated and committed in their work ... We found few cases in which we disagreed with the decision taken about whether the case should proceed. We did not identify any particular trends in those cases."

But the inspectors also had reservations: "We have clear evidence to suggest that the

decision to prosecute is often taken without important information being to hand."

They concluded that the watchwords for involving child witnesses should be "expedition, sensitivity and fairness".

In Scotland, which is often seen as having a more enlightened approach to children in the legal system, the criminal age of responsibility — eight — is two years younger than in England and Wales and one of the youngest in Europe, but most cases are dealt with through the Children's Hearing system, which was introduced in 1971.

## An already deeply troubled girl . . .

**Duncan Campbell**

IT was last May when a nine-year-old London girl came home and hesitantly told her mother that five of her schoolmates had made her take her clothes off in the boys' toilets during the lunch-break.

Her mother was angry with her and told her she should have kicked the boys or "scratched their eyes out", but the next morning wrote a note to the head teacher asking her to look into it. The little girl took the note — and her little sister — to school.

The head teacher, who was asked to resign following the incident, had been aware that hers was not a typical school. She said she had never, in 17 years of work, been in a primary school where sex was discussed by children so explicitly. She had been shocked by some of the songs the children sang at playtime. The word "sex" was written in schoolbooks and girls were called lesbians by classmates. Parents, too, had been dis-

turbed by sexual incidents at the school and the generally low standards.

The declining numbers of children before the incident was continuing and at an accelerated rate, the head teacher said. The school will now close in the summer and the children will go to other schools.

The morning after the incident, the girl told the head teacher that some boys had

removed his trousers. The boy appeared fairly unconcerned until told it was serious. Because of the story that emerged, the head teacher decided to contact the police.

A second boy, later accused of rape, was crying by the time the police arrived, having realised what was happening. One of the boys, accused of acting as lookout and formally acquitted half way through the trial, said he

The girl, herself, has had a troubled life. One of eight siblings by three different fathers, she was left with her grandmother in Jamaica when her mother went to London to start a new life. The girl was raped by a 30-year-old neighbour, whom she described as "mad", and who, allegedly, preyed on young girls in the area. By the time she came to England to join her family, she was already in a deeply traumatised state.

One of the boys, formally acquitted, said he had been in the boys' toilets because he 'wanted to be in the gang'

been "trying to take her clothes off and that they had laughed her. That was the extent of the allegation, so the head teacher questioned the boys — the four later accused and one who, at nine, would be too young to be charged.

One boy said the group asked the girl to go to the boys' toilets. There she took off her knickers and he

had been in the boys' toilets because he "wanted to be in the gang". Another boy at first had "smiled quite a lot" as he told what happened, the head teacher said.

One of the boys was related to the girl. He made a statement the police which said: "Yesterday, I did not rape anyone. I didn't help anyone, any person, to rape anyone."

## Woman cleared in re-trial

**Claire Longrigg**

A MUSIC teacher was yesterday cleared of murdering her elderly aunt, after serving over four years in prison for the murder.

Sheila Bowler, 68, from Rye in Sussex, had been convicted of the 1992 murder of Florence Jackson, 89, who was found floating in the River Brede, 600 yards from the car where Mrs Bowler had left her.

A year ago, her case was sent back to the Court of Appeal by the then home secretary, Michael Howard. Mrs Bowler was released in July last year after the Lord Chief Justice, Lord Bingham, quashed the guilty verdict and ordered a retrial.

The re-trial at the Old Bailey heard new medical evidence that the old lady could have walked to the river's edge and fallen to her death.

Expert witness Archie Young said that old people suffering from dementia did sometimes perform unexpected feats of strength when they found themselves in strange or frightening surroundings.

Judge Michael Wright had emphasised Mrs Bowler's "impeccable" and "spotless" character. "She was a pillar of local society, a music teacher, a member of the church, a supporter of good causes."

Mrs Bowler's character had been cast in a very different light in the first trial, when police witnesses claimed that Mrs Bowler had not seemed upset by her aunt's disappearance.

A policewoman who sat with her the day the old lady's body was found, wrote in her notebook: "Very sprightly and jovial having just learned of the death of Mrs Florence Jackson ... showed no signs of distress."

A Methodist minister's daughter, Sheila Bowler said she was not the kind to show emotion. "They wanted me to break down. I don't do that."

There were cries of relief yesterday as the unanimous verdict was announced. The jury, who had deliberated for nearly two days after the four week trial, waited with broad smiles outside the Old Bailey to wave as Mrs Bowler left court.

"I don't feel bitter. I feel angry that it could happen to

me. I don't have very much faith in the justice system any more. I know now how easy it is to be convicted."

Since her release in July, Mrs Bowler has had a tense time, preparing her house and garden for another long period of emptiness.

Yesterday she admitted she had suffered a recurring nightmare — that she was back in Holloway. She did not think she would have survived another stretch in prison.

Her lost years have taken a toll on her children. Simon, 31, and Jane, 28, who have been involved in every stage of the campaign for her release. Since the case was featured twice in Channel 4's Trial and Error series about miscarriages of justice, more than 800 people joined the campaign for Mrs Bowler's release.

"I don't feel bitter. I feel angry. I don't have very much faith in the justice system any more. I know now how easy it is to be convicted."



Florence Jackson (left) whose body was found in a river, and Sheila Bowler (below) — a pillar of local society, a member of the church, a supporter of good causes — who was yesterday cleared of her murder after serving four years in prison



## MPs seek to delay bill banning pub lottery

**Lucy Ward**  
Political Correspondent

THE Government is under renewed pressure to postpone moves to outlaw a new pub lottery game following claims from a cross-party group of MPs that it is rushing legislation which could harm small charities.

The group, including Roger Berry, chairman of the all-party disability group, has asked for a meeting with Home Office minister George Howard to press for a 12-month trial period for Pronto.

The on-line game, launched in about 1,000 pubs and clubs last November and offering draws every 10 minutes, has so far paid out just over £200,000 to disabled, health and other charities. From each £1 ticket, 20p goes to good causes.

A consultation period on a bill banning the game ends next week. The MPs claim that the five-week consultation, extended by two weeks after charities complained they had too little time to consult their trustees, is still "inexplicably short for complex legislation which has not been put before

the House in the Queen's Speech, or the electorate in a party manifesto".

A letter to Mr Howard, also signed by Adrian Sanders, Liberal Democrat vice chairman of the all-party charity and voluntary sector group, and David Faber, Tory MP for Westbury, suggests ministers have failed to provide evidence to support claims that the lottery will promote social problems. They ask: "Surely this is a concern best assessed through academic research?"

Inter Lotto, the company behind Pronto, approached

ministers over the project last July and, its directors claim, was given clear signals that the application would be treated favourably.

In November, the company learned there had been a change of policy, as Mr Howard confirmed Government plans to introduce primary legislation to ban the game. In the same month, Jack Straw, the Home Secretary, sent a confidential memo to John Prescott — leaked to the Guardian — making clear Inter Lotto's campaign for approval should be challenged.

**"I wouldn't want to say an execution helps the economy, but anytime visitors are in town it's a shot in the arm."**  
Mayor of Huntsville, Texas, "execution capital of the US".

This section page 13



## Search for a little heaven on earth ends with guide to spiritual havens

Ruaridh Nicoll on a list of retreats to wash away woes



THE church, long accused of being behind the times, is now finding itself back in fashion, besieged by people tired of the endless bustle of modern life.

A new edition of the Good Retreat Guide was published yesterday, its bulk dedicated to aiding the spiritually drained get back in touch with themselves in the confines of monasteries, abbeys and temples.

It is not just the churches benefiting. There are new age retreats dedicated to finding one's inner child and Celtic spiritualism. Sanctuaries are booked up across the country. "Something is stirring," said Brother Stuart, of the Priory of Our Lady in Burford, Oxfordshire, which used to see one or two guests every few weeks. Now all 12 places are booked for months ahead.

In America last year more than 3 million people visited retreats, beating at monastic doors to escape the noise and stress of modern life. It is a wild swing from the days when it was just little old ladies who would disappear to relax for a day or two.

"We invite guests to join in as much of the monastic life as they want," said Brother Stuart. "It can be terribly intrusive for us, especially when we have groups of clergy, but often it adds immeasurably to life here."

The third Good Retreat Guide lists over 400 retreats across Britain, Ireland, France and Spain. Author Stafford Whiteaker said he thought the demand, which he estimates has doubled in the last five years, was due to the retreats "answering a need". He added: "People have the house, the relationship, the job but they say: 'Hey, is there another dimension to where my life is going?'"

Those running the retreats are responding to this by offering up a variety of options to visitors. People can spend time doing almost anything, from painting icons to gardening or indulging in long periods of silence. "Retreats are nothing new but the opportunity to do it more creatively is new," said Paddy Lane of the National Retreat Association in London.

## Heal break

**Name:** Kagyu Samye Ling Tibetan Centre (left), Eskdalemuir, Dumfries.  
**Type:** Buddhist  
**Offers:** Various therapies on Scottish island, includes meditation, a dairy, farm, pottery and medical centre among other facilities.  
**Cost:** Varies depending on needs.

**Name:** Priory of Our Lady, Burford, Oxfordshire  
**Type:** Anglican  
**Offers:** Chapel, library, personal talks, beautiful walks, directed study and access to chapel.  
**Cost:** Nothing (but £23 daily donation appreciated).

**Name:** Turvey Abbey, Turvey, Bedfordshire  
**Type:** Roman Catholic  
**Offers:** Library, conference, chapel, daily mass, meditation.  
**Cost:** £57 for a weekend, £8.50 for the day.

**Name:** Self Realisation Meditation Healing Centre, Queen Camel, Somerset  
**Type:** Mind-Body-Spirit  
**Offers:** Extensive grounds, therapy pool, silent meditation, 'self realisation' courses.  
**Cost:** Varies depending on need.

policeman and a newly released criminal all talking to each other after a meal.

Christy Casley, who helps to run the non-religious Self Realisation Meditation Healing Centre near Yeovil, Somerset, said that they send people back to the world changed. "When they go back they have more to offer," she said. "It is part of self development."

## Leap in numbers cautioned for having cannabis

Alan Travis  
Home Affairs Editor

POLICE in England and Wales are turning a blind eye to the possession of cannabis, according to national cautioning and prosecution figures published by the Home Office for the first time.

The show a nine-fold rise in the use of cautions of those arrested for possessing cannabis, from 4,000 10 years ago to 40,000 in 1995. Over the same 10 years the numbers prosecuted doubled to 24,000 with most released with a fine.

a clear majority of young people are disregarding the existing law. The law is unenforceable.

Mr Flynn, who has campaigned in the Commons for the law to be liberalised, said that the figures demonstrated that the last thing Britain needed was a "tough" policy. Instead, intelligent policies based on those used in Holland, which were working well, should be used.

The sharp rise in the numbers being dealt with for simple possession of cannabis — from 14,500 in 1985 to 64,600 in 1995 — is thought to reflect the rapid increase in its use by young people.

Recent British Crime Survey reports show that 70 per cent of males have tried some illegal drug by the time they are 24.

While the number of people

being cautioned has rocketed, the numbers who have been jailed has remained the same at about 900 a year. However, when it comes to dealing or trafficking in cannabis the police have taken much tougher action in recent years. The number prosecuted for dealing has doubled from 1,600 in 1992 with 619 sent to jail, to 3,294 in 1995 with 1,125 jailed.

Colin Phillips, chairman of the Association of Chief Police Officers' drugs sub-committee, said the figures did not show that the police had given up enforcing the law.

"They show a steady increase in prosecutions, as well as cautions. Police use cautioning as an effective means of diverting some minor drug offenders from the criminal justice system."

### Cannabis possession

	Cautions	Prosecutions	Fines	Custody
1985	4,000	11,500	8,500	920
1986	5,700	11,500	8,500	920
1987	5,700	11,500	8,500	920
1988	11,500	17,400	12,200	1,145
1989	14,500	17,400	12,200	1,145
1990	14,500	17,400	12,200	1,145
1991	14,500	17,400	12,200	1,145
1992	14,500	17,400	12,200	1,145
1993	14,500	17,400	12,200	1,145
1994	14,500	17,400	12,200	1,145
1995	40,600	24,300	10,600	614
1996	40,600	24,300	10,600	614
1997	40,600	24,300	10,600	614
1998	40,600	24,300	10,600	614

Source: Home Office



Kent Nagano, the music director noted for his grand projects, conducts the orchestra. PHOTOGRAPHER: DON MCPHER

## Hallé orchestra back on song after little fiddle saves the day

David Ward

THE 140-year-old Hallé Orchestra, which this week teetered on the edge of oblivion because of a £1.1 million deficit, was saved yesterday by a fiddle and two grand pianos.

As part of a hurriedly stitched-together rescue, the three instruments, a 17th century Amati violin and two Steinways, will be sold by the Hallé to its own trust fund for £200,000 then leased back.

The deal will buy the orchestra time until the end of April and prepare for a full restructuring of its activities, management and finances with the aim of making it solvent by 2000.

The review could lead to a scaled down board (now 25 members), increased ticket prices at Manchester's Bridgewater Hall and some curtailment of the grander projects of the orchestra.

The orchestra is also likely to launch a public appeal and has appointed as chief executive on a three-month contract Leslie Robinson, a former BBC executive who oversaw the development of Manchester's other orchestra, the BBC Philharmonic.

The rescue plan to be drawn up within six weeks by the review team will have to be approved by principal funders.

"No stone will be left un-

turned and it will be carried out with vigour," Michael Evans, treasurer of the board of the Hallé Concerts Society, said yesterday. "It will cover every area of the society's activities — artistic strategy, marketing, fund raising, ticket prices, artistic controls and contracts."

"There is tremendous support from the city, sponsors, local councils, the Arts Council, the orchestra and staff for us to be able to carry out this work."

Kath Robinson, board member and deputy leader of Manchester city council which this week made it clear it would not bail out the orchestra, said: "We cannot, as custodians of the public purse, continue to put good money after bad... we know there are problems. There are problems with the management, with the board and on a whole range of issues."

John East, the board's chairman, said he had alerted the city council and Arts Council when he realised information coming to the board was not reflecting the orchestra's true financial plight. They had commissioned a report from accountants KPMG.

Of the six-year freeze of the Hallé's £1.25 million Arts Council grant, Mr East said: "This is a national problem. If we felt we could break even by dropping our artistic standards, we would not do it. That would be death by 1,000 cuts."

Board members refused to speculate on possible cuts in the orchestra, which now has 92 players.

## Dutch surgeons operate to create virgin brides

Sarah Boseley

DOCTORS in the Netherlands are reconstructing the hymens of young women terrified of the consequences if they cannot prove themselves virgins when they marry, according to a report in this week's British Medical Journal.

The surgical procedure raises ethical issues which are debated in the journal. It says that some Dutch doctors are willing to operate even though there is no medical need for treatment and in the knowledge that they are effectively conspiring with the women to deceive a spouse and his family.

The justification is that the profession is saving the women from shame, physical violence and possibly expulsion from the community.

The five researchers from the Daniel den Hoed clinic in Rotterdam, say that many immigrant groups insist a woman must be a virgin when she marries.

"If the bride cannot show her bloody sheet after the wedding night, her family may exact revenge in the form of bloody reprisals and banishment of the bride."

"Because of these far reaching consequences, many gynaecologists in the Netherlands are willing to reconstruct the hymens of adolescent girls who are no

longer virgins but who wish to appear so."

The clinic insists that the women are accompanied by an interpreter and a social worker at their initial consultation. The procedure is carried out under local anaesthetic and usually involves stitching together the remnants of the hymen. Three weeks later, the patient returns for a check-up and gets the chance to discuss any emotional issues.

Twenty women, aged from 16 to 23, were followed up by the doctors after treatment in

**'A family may exact revenge with bloody reprisals and banishment'**

1993. All were in some sort of training or education. Half said they had lost their virginity through "forced intercourse", six were having regular sex, and the other four did not comment. All were happy with the outcome and all had exercised their right under Dutch law to have the medical notes on the operation destroyed.

The doctors called their treatment "ritualistic surgery", and compared it with male circumcision. "The ethics of hymen reconstruction could be compared to the eth-

ics of cosmetic surgery, an accepted part of plastic and reconstructive surgery."

Sara Paterson-Brown, a consultant obstetrician and gynaecologist at the Queen Charlotte and Chelsea hospital in west London, says in the journal that the operation — illegal in most Arab countries but performed unofficially — is "justifiable in certain circumstances, when the woman would otherwise suffer disgrace or worse."

But she expresses concern at the age of the youngest patient in the study (16) and over the 10 young women who said their first intercourse was forced.

Mat van Lent, consultant gynaecologist at the Rotterdam clinic, which is in an area where the population is between 30 and 40 per cent immigrant, said yesterday that they had a request for such operations about once every two months. He explained that forced intercourse did not mean rape.

"They felt they could not say no. In a steady relationship in the Netherlands it is more or less normal to have sexual relations. They were often on the barrier between two cultures."

He did not know whether the procedure was carried out in the UK. "There is not much publicity about it," he said. "It's a tricky subject, but I'm sure... in any country where there are a lot of Muslims, doctors get requests."

## Road rage case dropped as 'Big Ron' shakes on it

John Duncan  
Sports Correspondent

THE Big Ron road rage case was dismissed yesterday at Birmingham magistrates court after the man who claimed the football manager Ron Atkinson cut him up at traffic lights, got out of his Jag and pulled his hair, agreed to forgive and forget.

The unusual end to the case came after the magistrate intervened, on the first morning of the Sheffield Wednesday manager's trial for common assault. "Wouldn't this be the sort of matter where you could just shake hands outside the court to put an end to it?" the stipendiary magistrate, Bruce Morgan, asked Martin Player, the insurance salesman who claimed he was assaulted by Atkinson in Digbeth on April 14 last year.

Thirty minutes later the



Out of court: Ron Atkinson (left) and Martin Player

over to Mr Player's car, and began hitting the bonnet with his fist. Backed by a statement from another witness, Mr Player told the court that he had had his hair grabbed and yanked by Mr Atkinson.

Mr Atkinson, however, "categorically denied" pulling Mr Player's hair.

After the case was dismissed, the magistrate advised the two men: "If you encounter any similar incidents in the future, do what I tell my wife to do — just rise above it and carry on your way."

After the hearing Mr Atkinson said: "I am very pleased. I think the judge restored a bit of faith in common sense."

Mr Atkinson may hope, though, that the Football Association does not get wind of his remarks on leaving court. Asked if the magistrate would make a good referee, he said: "No — he's too sensible."

## Cricketer's family crises

Open verdict on David Bairstow after coroner told of 'cry for help'

Martin Wainwright

USUALLY cheerful former England cricketer David Bairstow changed himself after a series of domestic tragedies, an inquest heard yesterday.

But an open verdict was recorded on David Bairstow, whose body was found by his wife and two children, Jonathan and Rebecca, aged eight and seven, at their Yorkshire cottage, after evidence that a previous, recent attempt had been a "cry for help".

The North Yorkshire coroner, Jeremy Cave, said that the former Yorkshire and England wicket-keeper had been seeing a psychiatrist for depression brought on by a catalogue of family troubles.

His wife, Janet, was fighting cancer and he was facing drink-driving charges after a road accident which badly damaged his arm, stopping him from playing cricket and golf.

"We have here a good family man who cared for all his

family, and loved his small children," said Mr Cave.

Friends of Mr Bairstow, who was 46, had been devastated and incredulous that he had taken his own life.

The inquest heard that he had taken an overdose of tablets before Christmas, but had told his psychiatrist that this was a cry for help and not a serious attempt on his life.

The doctor had believed that Bairstow was getting better, although still concerned

about the effect that publicity over the court case would have on his family.

He was also nagged by worry that conviction and a driving ban would lead to financial problems.

The strain had finally turned the convivial drinking of a "cheerful and upbeat" man into something more serious.

He had been to a number of pubs in Boroughbridge, near his home in the village of Marton, on January 5 before returning home and finding a noose in the hall. Tests revealed a "relatively high" alcohol reading in his blood.

Read the latest European news without using a phrasebook.

The Guardian

Jobless rally as count nears 5m

France 'failed'

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# Kohl under fire

## Jobless rally as count nears 5m

Report: Ian Traynor

**G**ERMANY'S growing army of the unemployed took to the streets yesterday in protest at their worsening plight as official figures showed more than 4.8 million people are now out of work. This puts the unemployment rate at a postwar record of 12.6 per cent.

At the same time the chancellor, Helmut Kohl, took a verbal battering in parliament, where he was accused of complacency and contempt for the electorate.

In Frankfurt, demonstrators mimicked the more militant French protesters by occupying dole offices. In Bremen, 200 jobseekers hung out a 55-yard washing line draped with job applications. And in Berlin, a few hundred people paraded behind the demand "Kohl must go".

Although organisers hoped for protests in at least 250 towns, the turnout was estimated last night at 40,000 in only 70 towns.

In Nuremberg the head of the federal labour office, Bernhard Jagoda, announced that 300,000 people had joined the unemployment register last month, bringing the total to 4.823 million. The previous postwar high — 4.67 million — was recorded last February.

In eastern Germany the unemployment rate was more than 21 per cent, double the rate in the west of the country.

"The gap between west and east has not closed, but is getting wider," Mr Jagoda said.

The campaign of street action is backed by the Churches, the Greens and, rather ambivalently, by the trade unions. Protest organisers say they want to keep the heat on the government by



The protester in the Kohl mask in Cologne declares: 'I support my promise. I break all records. 4,820,000 jobless'

PHOTOGRAPH: PHILIPP BARI

staging demonstrations each month when the unemployment figures are released, and bring their campaign to a climax in Bonn in September, when Germans vote in a general election.

It is feared that next month's figure could exceed the 5 million threshold, because of the winter weather and its impact on the construction industry. But Mr Jagoda said that the underlying seasonally adjusted level of unemployment was improving slightly.

He said job losses in the west had come to an end and unemployment there, although up on December, was 13,500 lower than January last year. The overall seasonally adjusted figure was 4.46 million, 72,000 down on December.

Although the organisers of the German protests said they wanted to emulate France, where street activism has paralysed parts of the country, there was little sense of menace or militancy about yesterday's protests.

In Offenbach, demonstrators repaired to the local church for coffee after marching to the district council. In Mr Kohl's native Ludwigshafen, the jobless gathered to eat cabbage. Elsewhere, the demonstrations offered an opportunity for beer and sausage.

Various factors seem to militate against an outpouring of anger on German streets. These include two generations of consensus politics and a generous welfare cushion. Moreover, an estimated one in four of Germany's un-

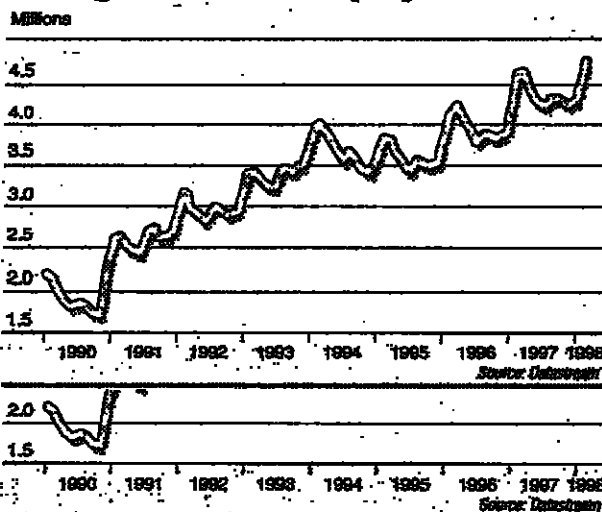
employed are 55 or older. Many of them will never work again but are difficult to mobilise in anger. While unemployment among those under 25 is put at 27.5 per cent in France, in Germany it is 10.5 per cent.

"Germany is the only country in the European Union where the level of youth unemployment is lower than the general rate," according to the labour minister, Norbert Blum.

"The unemployed here have no lobby," said Klaus Grehn, head of Germany's unemployed federation. "In the pub the talk is of layoffs and social parasites."

Yet the grim employment situation imperils Mr Kohl's hopes of winning a record fifth term in office in September, and the proposals his

### Rising German unemployment



# France 'failed to warn islanders of fallout danger'

Jon Henley in Paris

**F**RANCE continued its nuclear tests in the South Pacific in the 1960s even after it learnt that the local population was being exposed to exceptionally dangerous levels of radioactive fallout, a French magazine claimed yesterday.

The weekly *Nouvel Observateur* said about 1,200 Polynesians on four islands close to the Mururoa and Fanga-

taufa test sites were put at severe risk, even though the authorities publicly described the tests as "innocuous".

The magazine quoted from defence documents which it said were now sealed because of its investigation.

It said the radiological security services, the SMSR, had recommended evacuating the residents of Reao, Tureia, Pukarua and Mangareva before the first atmospheric test on July 2 1966.

A report by the SMSR had

warned that the population was particularly vulnerable because of its isolation, and high percentage of under-15s, pregnant women and old people. "The genetic risk is higher than for a European population of the same size," it said.

But the archives record simply that "the hypothesis of an evacuation was excluded for political and psychological reasons".

The first explosion was, at 15-20 kilometres, slightly more

powerful than the bomb that destroyed Hiroshima. The authorities on Mangareva — then inhabited by 600 French Polynesians — reported that within hours of the blast the defence minister was told by telegram: "Non-negligible radioactivity. Stop. Ground contamination. Stop. Asking directions on decontamination and food stop."

According to the archives, French officers in charge of the tests ordered an investigation by only one study vessel,

La Coquille. It revealed that three days after the blast unwashed lettuce on Mangareva were showing contamination levels equivalent to those found later in crops around the site of the 1986 Chernobyl disaster.

But no decontamination measures were taken and the population was not warned of a risk, the magazine said. A report by one doctor described the residents as "perfectly ignorant".

After the second test, on

September 24, of a bomb 20 times more powerful than Hiroshima, the archives record radiation levels in the rainfall on Mangareva at 100,000 becquerels per litre, matching the highest levels found around Chernobyl.

But *Le Nouvel Observateur*, quoting official reports in the files, said that before the explosion "no measures were taken beyond assembling the population close to shelters".

The defence ministry refused to comment.

## Baking's upper crust scorched again in battle of the baguette

Jon Henley in Paris

**T**HE baguette, a symbol of French life as potent as berets and Beaujolais, is under threat once more — from a ruling that even a candlestick-maker may now call himself a baker.

"It's an outrage," said Jean Cabut, president of the National Confederation of Bakers. "The baguette has for centuries been a proud staple of our national diet and now they're ready to turn it into Euro-pap."

After decades struggling against the big industrial bakers and supermarket brands, the traditional bakers won a reprieve last year.

The government ruled that only professionally trained bakers "using flours selected themselves and carrying out person-

ally every stage of the baking process on their own premises" could call themselves *boulangers*.

Some 5,000 mere bread-sellers were forced to change their shop signs or face a fine of \$1,000 a day.

But the National Association of Industrial Bakers fought back, and yesterday the council of state, the country's legislation watchdog, overturned the decision. The word *boulangier* was "part and parcel of the French language, and cannot be monopolised by any one group", it ruled.

The setback comes at a bad time for small bakers. Their numbers have declined from 55,000 in 1970 to little over 30,000 today.

Later this year a European Union directive will allow the use of preservatives in bread — anathema to the traditionalists.

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Morocco's most valuable propaganda assets in the dispute over the territory speak to **David Sharrock** in Rabat

# Endgame nears in Western Sahara

THEY joined the interior minister at the 11th hole of the Royal Golf Dar Salam as he sliced his ball into the rough. It was an incongruous setting for a meeting between three one-time sworn enemies of Morocco's "occupation" of their country, Western Sahara, and the politician who is effectively number two to King Hassan.

Driss Bastry greeted them with a wave, then took a swing at the ball hurriedly substituted for his wayward shot. The former Polisario leaders, now defectors to the Moroccan side, kept a respectful distance. They looked on awkwardly as the minister's retinue cheered his every decent stroke and fell into a fearful silence at his more frequent ineffectual swipes. It may

have occurred to them what propaganda it would have made if their former comrades in Polisario, a desert family with many feuds and much spilled blood — could have seen them.

The Popular Front for the Liberation of Saguia al-Hamra and Rio de Oro, a collection of Bedouin tribes, has been fighting for independence from Morocco since 1975, when King Hassan marched 350,000 unarmed Moroccan soldiers into the former Spanish colony to settle it.

A guerrilla war raged largely unnoticed by the rest of the world until 1981. Then exhaustion helped bring about a ceasefire brokered by the United Nations, which was supposed to lead promptly to a referendum on the territory's future.

Seven years on, and after the former American secre-

tary of state James Baker was drafted in to knock heads together, the conflict is racing to a conclusion. A referendum to choose between integration into Morocco and independence is scheduled for December.

Although the ceasefire has held, the propaganda war continues. The central issue is who is entitled to vote on Western Sahara's future.

Propaganda helps explain the role Mr Bastry has given his one-time enemies. "I want you to write a good article about Western Sahara," he told me, "and so I will leave you in the hands of these experts." Then he dismissed us to finish his round of golf.

On the walk back to the club house, Omar Hadrami, a founding member of Polisario and its former chief-of-staff, explained his conversion. His story was common to



Omar Hadrami, pictured left while he was Polisario's chief of staff, and Brahim Hakim, right, once the movement's foreign minister. Both have since defected to Morocco



the other defectors. Years of pointless struggle and privation in the pitiless surroundings of the Polisario camps at Tindouf, Algeria's western-

most town, had worn him down.

The leadership of Mohamed Abdelaziz was another factor. It was inflexible, freedom was

strictly curtailed, and the regime in the camps was controlled from Algiers. When popular riots erupted in Algeria in 1989 in protest at one-party rule, the Polisario camps followed suit but were ruthlessly repressed.

Mr Hadrami served eight months in prison for dissent before escaping to Morocco. There he was rewarded by King Hassan with the governorship of Kelaia province — testimony to the Rabat regime's shrewdness.

He takes a pragmatic line on the future of Western Sahara. "It is just not possible to have a state with such a small population and no resources," he said. "So our interests lie in being part of a wealthy nation. We now have 45 deputies in the Moroccan parliament."

"What does Algeria want? They provide everything for

Polisario. The Algerians just want to divide Morocco and keep a safe route to the Atlantic. They still dream of being the region's senior power, in spite of all their problems."

Brahim Hakim, Polisario's former foreign minister, rallied against the fact that the UN-sponsored referendum will be based on a census of Saharawis taken by the Spanish in 1974. It counted only about 30,000 people.

"It is incomplete and biased. The Saharawis are Bedouin people. How can you count us? It is not easy, but the UN says the 1974 census is the best that can be done," he said.

Gajmoula Ebbi, former leader of Polisario's women's section, said she had recently watched a UN session in Laayoune, the region's capital, to identify voters for the referendum. "Out of 132 Saharawis

who arrived only six were accepted. When Polisario proclaimed its republic in 1976 it claimed a million citizens, now they uphold the Spanish census of 30,000," she said.

"It's the same with Tindouf, where they claim to be the international community that there's 160,000 refugees when there's only 35,000."

Sensing the endgame, Morocco has poured money into infrastructure in Western Sahara. But not all Moroccans share Mr Bastry's enthusiasm for keeping the territory.

"It will continue to be a problem for us even if we win the referendum," said one government figure.

"The Polisario has so brainwashed their people in Tindouf, how would we ever reintegrate them?"

That may be another task which Mr Bastry could pass to his friends at the golf club.

## Cook courts non-committal Saudis

Despite tough talk about Iraq, Western fears have yet to reach what may again be the front line, writes **Ian Black** in Riyadh

TALL and courtly in his gold-fringed abaya and red-checkered head-dress, Prince Saud al-Faisal looked politely bemused as Robin Cook, the Foreign Secretary, made small talk before getting down to the serious business of how to avoid a fight that nobody wants.

With signs that Iraq may be responding to pressure to give way to United Nations weapons inspections, there was still time for some British jaw-jaw to support the United States — and a welcome chance for Mr Cook to get away from recent domestic distractions.

He talked tough, hammering home the message that Saddam Hussein must buckle or be held responsible for very violent consequences.

"If diplomacy fails," he declared after 90 minutes with his Saudi counterpart, "it will not be our fault."

Operational details were not discussed but there was a broad British hint for Baghdad. "If there is military action it will be serious action," Mr Cook warned.

For a change, no one

questioned Mr Cook about his lover, his wife or even his sacked diary secretary so he welcomed Prince Saud's "understanding" of the need to be robust.

But doubts lingered: there was no Saudi endorsement of US-led air strikes, even as a last resort, and a reference to the suffering of the Iraqi people seemed to be aimed at Arabs angered by the West's double standards.

One local paper referred to the arrival of the aircraft carrier 'HMS Invisible'

which ensure that Israel is never punished for ignoring the UN.

"Saddam Hussein possesses chemical agents and biological weapons on an industrial scale," Mr Cook said gravely. "I do not need to underline the seriousness of these facts in Riyadh, a city hit by Scud missiles during the Gulf war."

But there is no sense of crisis here comparable to last time round, after the invasion of Kuwait in 1990.

when Iraqi tanks were on the Saudi border and the kingdom's huge oil reserves were threatened.

Western concern at the proliferation of weapons of mass destruction and the threatened authority of the UN does not seem to have reached what could once again be the front line.

Timing was part of the problem: Thursday is never a working day in Saudi Arabia, and at the tail end

of the generously extended post-Ramadan festival of Eid al-Fitr few shops or offices were open.

Prince Saud, nephew of the ailing King Fahd, took on hand to greet Mr Cook as he stepped out of the ambassadorial Rolls-Royce and escort him into the foreign ministry.

But Crown Prince Abdullah, standing in for the king, was not available, as had been hoped and as he had been for the US secre-

tary of state, Madeleine Albright, last weekend.

Yet Mr Cook's whistle-stop tour, arranged at only a day's notice, was designed as much to support the US in the latest stand-off with Iraq as to change the cautious thinking of the conservative Gulf monarchies here and in Kuwait.

"It is vital that this confrontation is not seen as a confrontation between one country, the United States, and one man, Saddam Hussein," Mr Cook said.

"If he can see that the UK and the US are not isolated, then that will become another factor in whether or not he recognises that he has to back down before something worse happens to him."

And using the media may help convince sceptics that if necessary our boys will be doing their duty again, even if one Saudi paper referred to the arrival of the British aircraft carrier 'HMS Invisible'.

This was Mr Cook's first visit to the kingdom since taking office, though he met Prince Saud at the UN in September to discuss the case of the British nurses Deborah Parry and Lucille McLauchlan, convicted of the murder of Yvonne Gulliford.



Leaving students in Istanbul protest yesterday at American 'imperialism' in the Middle East

PHOTOGRAPH: MURAD SEZER

## Turkey tells Welfare 'never again'

Chris Morris in Ankara

AS THE banned Welfare Party in Turkey counts down its last days, the prime minister, Mesut Yilmaz, has made it clear that the country's secular establishment will never again allow a party created in Welfare's Islamist image to form a government.

Last month the constitutional court closed down the party for undermining Turkey's secular principles. The ban will come into effect once the court decision is formally published.

With Welfare sitting in legal limbo, a furious debate about what sort of political force will rise in its place has been launched.

Mr Yilmaz warns that unless Islamist politicians tem-

per their rhetoric and form a more moderate movement, they will be banded again. "Getting enough votes will not be enough to come to power."

Welfare is the biggest party in parliament, but its MPs will automatically become independents once the ban takes effect. Most are likely to join a new party, although Welfare's leader, the former prime minister Necmettin Erbakan, will not be allowed to take part. He has been banned from party politics for five years.

Turkey's powerful military high command, the driving force behind the campaign against Welfare, is prepared to give a new party a chance — within clear limits. Even the mild Islamic reforms Welfare proposed in government were too much for the military.

Education has become one of the main battlegrounds in

the fight between Islamist and secular forces. Hundreds of state-funded religious *imam* *Hatip* schools are under threat after a new law was introduced increasing mandatory secular education to eight years for every child.

The government says it wants children aged between 11 and 14 to be protected from "dangerous" ideas.

There is a growing sense of frustration at the loss of Islamists' social and political rights but, crucially, the resentment has not led to violence. Predictions of angry protests have proved misplaced, and reaction to Welfare's closure has been calm and dignified.

Comparison between Turkey and Algeria, where the suppression of political Islam has caused extreme violence, is premature. Turkey has a habit of muddling through

and voting out politicians who have upset the public.

"If you hurt people's religious feelings here they won't cut your throat," said Ilnur Cevik, the editor of the Turkish Daily News. "But they might teach you a lesson at the polls instead."

More than 95 per cent of Turks are Muslims, a statistic which would seem to favour Welfare and its successor, but many devout Muslims are also political secularists and Welfare's past electoral success has had more to do with the incompetence of other parties than with any desire to promote Islamic practices.

Mr Yilmaz has hinted at an early election at the end of the year. If that happens, and if Welfare's successor does well, Turkey will face a crucial decision about the type of democracy it wants to be.

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News in brief

# Japanese radicals claim rocket attack

LEFTWING radicals claimed responsibility yesterday for this week's rocket attack on Tokyo's main airport, deriding security for the Winter Olympics.

Three homemade rockets were fired on Monday into a cargo plane area of the airport 40 miles east of Tokyo, raising concern about terrorism during the winter games in Nagorno, which start on Saturday. The attack, which injured one worker, occurred during heightened airport security.

In a statement to Tokyo news organisations, the ultra-left-wing Revolutionary Workers Association said it opposed the building of a second runway at Narita airport, and criticised Japan's military alliance with the United States. — AP, Tokyo.

# Threat by Algerian guerrillas

ALGERIA'S rebel Islamic Salvation Army (AIS), the armed wing of the Islamic Salvation Front, is threatening to end its four-month ceasefire unless progress is made on an amnesty for Islamists on the run, an Algerian newspaper said yesterday.

Le Soir d'Algerie said the threat was made in a village in Jijel, an AIS bastion in the north-east, after AIS guerrillas took hostages. The commando chief, deputy to the AIS chief Madani Mezrag, said the truce could end in two weeks. — Reuters, Paris.

# 12 die in plane crashes

RESCUERS recovered five bodies from a Bulgarian transport plane that crashed in the mid-Atlantic Azores islands yesterday, but there was no hope of finding the remaining two crew alive, officials said. All on board the Soviet-built Antonov-12, which burst into flames late on Wednesday after crashing near Lajes airport, were Bulgarian, they said.

Meanwhile, a military transport plane on a training session crashed in mountains in central Spain yesterday, killing all five crew, the Civil Guard said. — Agencies, Lisbon and Madrid.

# Kenyan curfew imposed

THE Kenyan government imposed a curfew yesterday in a central Kenyan district hit by violence, after university students at Jomo Kenyatta University near Nairobi rioted in protest at the death of a fellow student on Wednesday.

The Kenya Broadcasting Corporation said President Daniel arap Moi had imposed a 9pm-6am curfew in Nakuru district because of the security situation. More than 100 people have died in ethnic violence since January 11. — AP, Nairobi.

# MPs shelve smoking ban

A COMFORTABLE majority in the German parliament yesterday voted against banning smoking on public transport and in the workplace. The cross-party bill, which would have obliged employers to provide special smoking rooms, was rejected by 336 to 266 votes. — Ian Traynor, Bonn.

# Balloon drifts to Burma

THREE European balloonists, thwarted in their attempt to circle the world, were drifting toward Burma yesterday on the final leg of their journey from the Swiss Alps.

Although China belatedly gave the Breitling Orbiter 2 team the go-ahead yesterday to enter its airspace, the balloonists had already changed course. They expect to land in Burma today or tomorrow. — AP, Geneva.

# Duty-free 'pieces of Africa'

TOURISTS leaving South Africa can now add paperweights for the rich — pure gold bars — to their duty-free as the ultimate present for the woman or man who has everything went on sale yesterday at in Johannesburg, Durban and Cape Town.

The gold, which is guaranteed home-mined but is not on sale to South African citizens, starts at \$540 for a 3 oz bar.

Johan Botha, the sales manager of Rand Refinery, said: "Visitors cannot take the sum home but now they can take a piece of pure Africa." — Alex Duval Smith, Johannesburg.

# Peace protest against ETA



Demonstrators hold up the letters spelling peace on white gloves during a protest against the Basque separatist ETA outside the city hall in Seville yesterday. A local politician and his wife were killed last week. PHOTOGRAPH MARCELO DEL POZO

# Winfrey versus the cattlemen



Talkshow host Oprah Winfrey arrives at court with one of her lawyers in Amarillo, Texas. PHOTOGRAPH JEFF MITCHELL

# Oprah hams it up during beef trial

Joanna Coles in Amarillo, Texas

TANNED and tough as old cow hide, Texan faces are longer, wider, more confident in the shadow of their steers. Yesterday in the main Amarillo courthouse, their slowly gum-chewing jaws were set against Oprah Winfrey in the case of the cattlemen versus the chat show host.

The cattle ranchers claim Ms Winfrey's 1996 show about mad cow disease was so reckless and inflammatory it caused beef prices to plummet to a 10-year low. Beef is as central to Texas as oil was to J. Edgar Hoover and it's a brave person who threatens it.

"This is the most painful thing I've ever experienced," Ms Winfrey told the jury, referring to the ranchers' \$12 million (\$7.3 million) libel suit. "I feel in my heart I've never done a malicious act against any human being."

United States courts make marvellous drama, and by 7am the queue outside was 60-strong. A local cafe owner sold mugs of hot chocolate while a spectator distributed doughnuts. The circus began.

"Oprah says that Princess Diana's death has caused her to live every moment more intensely," said Jean Schwenke, waiting in line, to no one in particular.

Once inside even the clerk seemed like a warm-up man. "Hello people!" he cried as the crowd squeezed into the 70 available places. "No eating, no drinking and no sleeping. Everyone laughed and Ms Winfrey arrived. "Back again," she grinned, giving a

mock curtsy, before strolling up to the witness box.

On the right sat her lawyers and her boyfriend, Steedman Graham. On the left, square-shouldered and square-headed sat the ranchers. But this is not an ordinary libel case. At its core is the viability of a new law, now on trial for the first time.

The Food Disparagement Law, also known as the veggie libel law, was designed to prevent public criticisms of perishable goods that could deter others from consuming them.

The ranchers' real beef with Ms Winfrey lies with her choice of guest, Howard Lyman, a former rancher who, after studying the British debate about Creutzfeldt-Jacob Disease, turned vegetarian.

He told Ms Winfrey's 20 million viewers: "If only one cow has mad cow disease, it has the potential to affect thousands." Ms Winfrey replied: "It stopped me cold from eating another hamburger."

After 14 days of mainly scientific evidence, the jury visibly perked up when she appeared as a witness. Working the crowd, she made jokes to the frowns of the judge.

"Do you think there is a material difference between 4.5 and 4.7 million?" her lawyer Charles Babcock asked, referring to the number of cattle slaughtered in Britain. "Only if you are one of the cows," she retorted.

Earlier in the week, the Pulitzer prize-winning poet Maya Angelou arrived to pledge her support. "Oprah has a good heart," she said outside the courthouse, wrapped in a huge fur coat.

The case is expected to last three weeks.

# Fujimori saves victims — and himself

Jane Diaz-Limaco in Lima on the ubiquitous president who has trailed El Niño across Peru, raising morale and his approval ratings

PRESIDENT Alberto Fujimori clutched the knees of a plump, pregnant woman, helping her down a ladder into the motorised dinghy. She was one of hundreds of stranded flood victims being evacuated from the coastal town of Ica.

Standing in the prow of the tiny boat as it chugged through the flooded city streets, the president passed babies down into the safety of the vessel, while barking instructions to the rescued women passengers where to sit.

A woman reporter, waist deep in dirty water, told viewers that the president was "personally directing" the rescue operations.

At least a third of the town's homes were 5ft-deep in water after the River Ica broke its banks. Three people died and 20 were reported missing.

Since the warm El Niño current in the Pacific poured a month of torrential rain, avalanches of mud and rocks, and flooding across Peru, Mr Fujimori has barely spent a night in the presidential palace in Lima.

He has followed El Niño's trail of destruction across the country. When a mudslide buried the village of San Miguel de Viso, smashed two bridges and covered a stretch of the main road from the sierra to Lima, the president spent two days driving tractors and riding in yellow diggers emblazoned with "Presidency Ministry".

He was back a few days later when another avalanche cut off road a few miles away.

Mr Fujimori has kept a busy schedule of visits to provinces in his seven years as president, but his tour to inspect damage this month is unprecedented.

He was also in Santa Teresa on the eastern slopes of the Andes, handing out blankets and emergency supplies, and helping evacuate victims to hospitals in Cusco city. And in Piura, Tumbes, Aguas Verdes on the Ecuadorian border, and Sullana in the central north to inspect the ravages of the heavy rains.

He has been quick to point out that the damage would have been far worse had his government not

undertaken public works to strengthen river walls and clear drains before El Niño's devastating arrival. The last time Peru was hit by the warm current, in 1983, it cost several billion dollars in damage and left about 1,500 dead.

Most agree that there has been more preparation, in northern cities at least, and

The president was passing babies down into the safety of the vessel

Mr Fujimori's efforts have not gone unnoticed. In a poll released this week by the market research company Apoyo, 76 per cent approved of the president's work in tackling the effects of the freak weather. His popularity rating rose 4 points to 38 per cent in January.

These are still meagre ratings compared with the heady 60-plus per cent approval that he enjoyed a few years ago, but will bring some relief to a leader who has been struggling to quell discontent with economic policy, unemployment, and political scandals.

Not everyone is happy about the high-profile emergency campaign. After an avalanche buried half the village of Choco, the relatives of residents held an angry demonstration at Arequipa airport to try to hurry the departure of a rescue helicopter to the village where at least two people had died and 30 were missing.

The helicopter had to wait for the minister for women, Miriam Schenone, who was being sent to the scene by Mr Fujimori.

Provincial authorities also complain that all the emergency work is being channelled through the presidency ministry, which takes about 40 per cent of the government budget.

Luis Guerrero, the president of the association of Peruvian municipalities, said there was no co-ordination between the ministry and the mayors of affected areas.

"With the resources and machinery that President Fujimori can mobilise, I am sure that the mayors could do 10 times what the head of state is doing without any extra expense."

# Texaco billed by Ecuadoreans

Diana Jean Schenone in Shushufindi, Ecuador

FLORINDA Balla prays that no more of her cows, pigs, chickens or dogs will venture to the black pool by her farm. Its surface is viscous, its contents thick with arsenic and other toxic wastes. Five cows who drank from it grew listless and died, she says.

The pool has been there all the 20 years she has lived at the farm, one of hundreds of waste pits left behind when Texaco pulled out of Ecuador in 1990 after two decades of pumping nearly all the oil this small Andean country produced.

Ecologists say the company maximised profits by using cheap and environmentally unsound methods.

"Go to the school, there's another pool," said Mrs Balla. "Go down the road, there's another."

She is among the 30,000 people who are bringing a class-action lawsuit against Texaco, trying to pass it the bill for the dead animals, lost crops, health problems and environmental damage.

A suit filed in New York in 1993 seeks more than

\$1 billion in damages and clean-up costs, and requires the company to rebuild the oil-pumping infrastructure to United States standards.

It was dismissed last year but is now being reviewed in the federal court of appeals.

In Ecuador, interest in the case remains keen. Walls are covered with anti-Texaco graffiti.

The company denies responsibility, arguing that while it was there Ecuador lacked specific environmental laws.

But Paulina Garzon, leader of Ecological Action, based in Quito, said that if the appeal court backed the earlier ruling it would signal that oil companies "can do whatever they want in developing countries and not be held responsible".

Latin America privatises the development of its natural resources, the issues thrown up by the case have grown more crucial.

The case is being watched particularly closely by oil and mining industries. They fear that foreign investors will find that once-pliable countries can later become a liability if the citizens are able to take on the companies directly. — New York Times.

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# Adam Smith meets De Sade in China

Andrew Higgins in Beijing on a merchant of pain

WITH much of Asia in agony from economic convulsions, a Beijing economist seizes an imaginary whip and mimes a ferocious thrashing to explain what China must do to avoid following its neighbours into economic crisis. Pain, says Cao Siyuan, is good: "Society needs it. Society needs a lashing."

His views combine the free-market theology of Adam Smith with the more secular theories of the Marquis de Sade: the more it hurts, the healthier and happier China will be.

Rather than fretting about bankruptcies, Mr Cao cheers each new corporate failure. He helped draft the legislation that opened the door to capitalist-style bankruptcy 10 years ago and now makes a living advising companies on how to shut down. Misfortune, critics say, has made him a fortune.

"Bankruptcy is, of course, painful. But if it is not painful it can't play any reforming role. Pain acts as a whip to spur people on. If bankruptcy is comfortable and cosy nothing will really change."

He grabs his imaginary lash: "It's like riding a horse. If you don't use the whip hard it won't move. A tap won't do."

Last year only 4,500 of China's estimated 10 million firms went bankrupt. Mr Cao says the number must increase at least 20-fold to purge the weak and fortify the survivors.

His faith in the redemptive power of pain used to be de-

cried as capitalist heterodoxy. Today it enjoys increasing favour with the Communist Party leadership, which has made the reform of loss-making state factories the country's principal task.

Millions of workers have been sacked and at least a third of the 100 million still employed are likely to lose their jobs.

There is no room for sentiment in the sink-or-swim economic Darwinism espoused by Zhu Rongji, the vice-premier expected to be elevated

**'Bankruptcy is, of course, painful. It's like riding a horse; you need to whip it'**

to prime minister next month. He wants factories that lose money closed or merged with profit-makers to cut handouts from the state.

The evolution of China's economic debate charts the rout of socialism, still technically the guiding ideology.

Mr Cao won enthusiastic applause at a recent conference in the southern city of Zhuhai when he dismissed a suggestion that China had gone capitalist. "Some people ask what label should be used: is socialism becoming capitalism or is capitalism becoming socialism? This is their right. All I can say is I have no interest in the label."

A rump of elderly stalwarts strives to keep such questions at the centre of the party's internal debates. They circulate tracts denouncing ideological laxity. The most recent, entitled Trends and Characteristics of Bourgeois Liberalisation since 1982, sing out Mr Cao as part of a bourgeois conspiracy.

In the past such a broadside would have been ominous. Mao Zedong and Deng Xiaoping often prepared political campaigns with obscure articles. Today reality is muscling aside what little remains of ideology.

"If you have a pot of boiling water it does not change anything if you put a lid on so people can't see what is happening inside," Mr Cao says. "The water is still boiling."

Asia's economic turmoil has so far left China largely unscathed, and it will strengthen the hands of cautious technocrats who argue against any rapid opening of currency and stock markets to foreigners. But it has also sealed the triumph of the number-crunching experts over idealists and ideologues. Hot topics today are interest rate policy, currency convertibility and banking reform.

Mr Cao hails bankruptcy as the ultimate reality test. "I don't decide whether a factory is bankrupt. Nobody does. It is an objective fact, an economic condition." Mao would be appalled. Revolution is indeed not a tea party: it has become a seminar in hard-luck economics.



About 300 students at an inner city school in Johannesburg dance and jeer as they escort an alleged thief to a police station after stripping him of his clothes and painting him with red enamel as an act of street justice. They laid a charge of robbery against him. PHOTOGRAPH: JOHANNES VOGEL

## Mongolia rebuffs UN help to end food crisis

Despite rife malnutrition, Ulan Bator says it can look after itself, writes Louisa Waugh

MONGOLIA'S non-renewable riches yield expensive imported goods and crowd the wide streets of the capital Ulan Bator with their BMWs and Mercedes. But in the suburbs, where the quality of water, education and life has deteriorated sharply, families must make do on less than \$5 a month.

A report by the United Nations Food and Agricultural Organisation says Asia's newest democracy faces a "serious food deficit" and needs 90,000 tons of food aid to combat widespread malnutrition. It recommends emergency and programme food aid to compensate for a shortage of flour.

The Mongolian government, hoping to present sound economic credentials to lure foreign investors, is unhappy with the report.

But aid workers say the facts speak for themselves. One in four Mongolian children is now chronically malnourished, leading to cases of mental retardation and severe rickets. A per capita income of \$200 a year makes Mongolia one of the poorest countries on earth, and low-income families are spending up to three-quarters of their funds on food.

The government has been reluctant to comment on the FAO's recommendations, although the agricultural ministry has privately admitted it is seeking food aid donors.

The United States has already donated 11,000 tons of flour. Cereal production has halved since 1990 and many flour mills are operating at half capacity. Officials say the government is to increase cereal imports from last year's 85,000 tons to ease the shortage.

Research by World Vision and the Mongolian Nutrition Research Centre recommends food supplementation and food aid programmes aimed at the poor. It says one in five children is stunted from malnutrition, more than 10 times the norm in a well-fed population.

Jacinda Mawson, a nutritionist, said things had improved little since 1992. "A majority of Mongolian families are relying on donations from relatives and friends just to feed themselves."

Death from malnutrition is particularly prevalent in the country's prisons, where families must pay for inmates' rations. The 320 deaths in jail last year — 5 per cent of the prison population — were widely blamed on tuberculosis and/or starvation.

There have been reports of guards cutting prisoners' rations to buy uniforms and equipment.

"Hunger here," he said, "isn't caused by a shortage of food but a lack of money by a portion of the population to buy it."

Otto Farkas, director of World Vision, which works with some of the country's poorest, agreed with Mr. Bikales's point that purchasing power was the key to combating malnutrition.

But he added: "Mongolia needs food security, including food aid... Domestic production shouldn't be sacrificed on the altar of the free market economy."

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# Analysis The last of Empire

## Wish you were here

Robin Cook proposes to clamp down on tax havens in balmy climes. And not before time. **Dan Atkinson, Ewen MacAskill and Richard Norton-Taylor** report on the new pressures on Britain's dependent territories

IT HAS been some time since any British minister dared describe Her Majesty's overseas subjects as "lesser breeds without the law", but Robin Cook came close this week. Dangling the possibility of British passports for the 160,000 inhabitants of its dependent territories, the Foreign Secretary made it clear this carrot would come with its very own stick: no citizenship rights without "the highest standards" of financial regulation.

Cook, in his speech on Wednesday to chief ministers of the dependent territories, was ordering the last remnants of empire to clean up their financial act — to throw out the money-launderers and secret drug-dealer accounts, the front companies for insider dealers and, above all, the trust companies in which are stashed billions of dollars properly belonging to the tax authorities of the western world.

To the outsider, Cook's priorities may seem skewed. Yes, Britain's 13 remaining imperial possessions exhibit a range of problems — defence (Falkland Islands), natural disasters (Montserrat), diplomacy (Gibraltar), mineral rights (British Antarctic Territory). But is financial regulation among the most pressing concerns?

Labour thinks so. Too much of the worldwide never-land of tax havens known as "offshores" has a Union flag fluttering over Government House. Too many financial scandals have been traced back to territories supposedly existing under the gimlet gaze of the Queen's ministers.

There was ECC (Overseas), the crooked offshoot of Bank of Credit and Commerce International, the group at the centre of the biggest swindle in history, estimated at \$13 billion. That was based in the Cayman Islands. Then there were multiple drug and corruption scandals in the Turks and Caicos Islands in the 1980s: the islands are well known as a transit base for Colombian drug barons supplying cocaine to the US and other markets. Montserrat, pre-volcano, staggered under corruption and banking scandals a decade back, and the Bank of England had to send in a hit squad. The British

Virgin Islands have been fingered as a centre for drug-trafficking. And Gibraltar was the offshore base for the Barlow Clowes investment swindle, which collapsed in 1988.

Some offshore havens have been linked to questionable deals at the heart of the British establishment. Bermuda and the British Virgin Islands were used to pay hidden commissions by British companies in the multi-billion-pound Al Yamamah arms deal with Saudi Arabia negotiated, signed by Margaret Thatcher in 1986. Her government was well aware of the commissions and how they were paid. For example, Thorn-EMI paid a 26 per cent commission; the company supplied fuses for bombs for Tornado aircraft. Some of this was paid via a bank account in Bermuda in the name of "brass plate" dummy companies in the British Virgin Islands and later distributed to various destinations(1).

LAST year the National Audit Office warned the Foreign Office that Britain was being exposed to "financial-sector failures, corruption, drug-trafficking, money-laundering" as well as "migrant pressure and natural disasters" in a number of Britain's colonies. A report by the NAO found "widespread laxity and a failure to administer government finances with due respect for the law".

Caribbean territories were the chief target. The NAO described drug-trafficking in the Cayman Islands as "the most serious risk to the stability of the islands". Yesterday, a spokeswoman for the London-based Dependent Territories Association stressed that regulation had improved: she pointed to the Cayman Islands' Proceeds of Criminal Conduct Law passed last year. But this specifically excludes tax offences; and the spokeswoman acknowledged that offshore financial regulation was an "ongoing issue".

Most territories have tightened their rules since these misfortunes, as Robin Cook made clear this week. But how did Britain end up as landlord of so much embarrassment-prone real estate? It certainly was not planned.

The break-up of the European empires at the end of the war was accompanied by new methods of cash transmission and the growing tax burdens imposed by the western democracies. This gave tiny offshore jurisdictions an irresistible opportunity to attract wealth and commerce. Offshore locations offer two valuable services: freedom from tax and freedom from regulation. Confidential bank accounts, unregistered company shares and secret trust corporations may all have a legitimate role to play in allowing entrepreneurs and wealthy individuals to evade bureaucracy. But all these tools are equally invaluable for the insider-dealer, drug baron and tax evader.

With the end of the cold war, the United States security services have been unleashed on financial crime. Their sleuthing has led them too often to British territories, especially those (like the Turks and Caicos) that lie on the American doorstep. According to the US central bank, the Federal Reserve, \$1,000 billion lies in dubious offshore deposits, half represented either by drug money or the proceeds of tax evasion. The remainder is the proceeds of serious fraud, economic crime or deliberate refusal to pay legitimate debts.

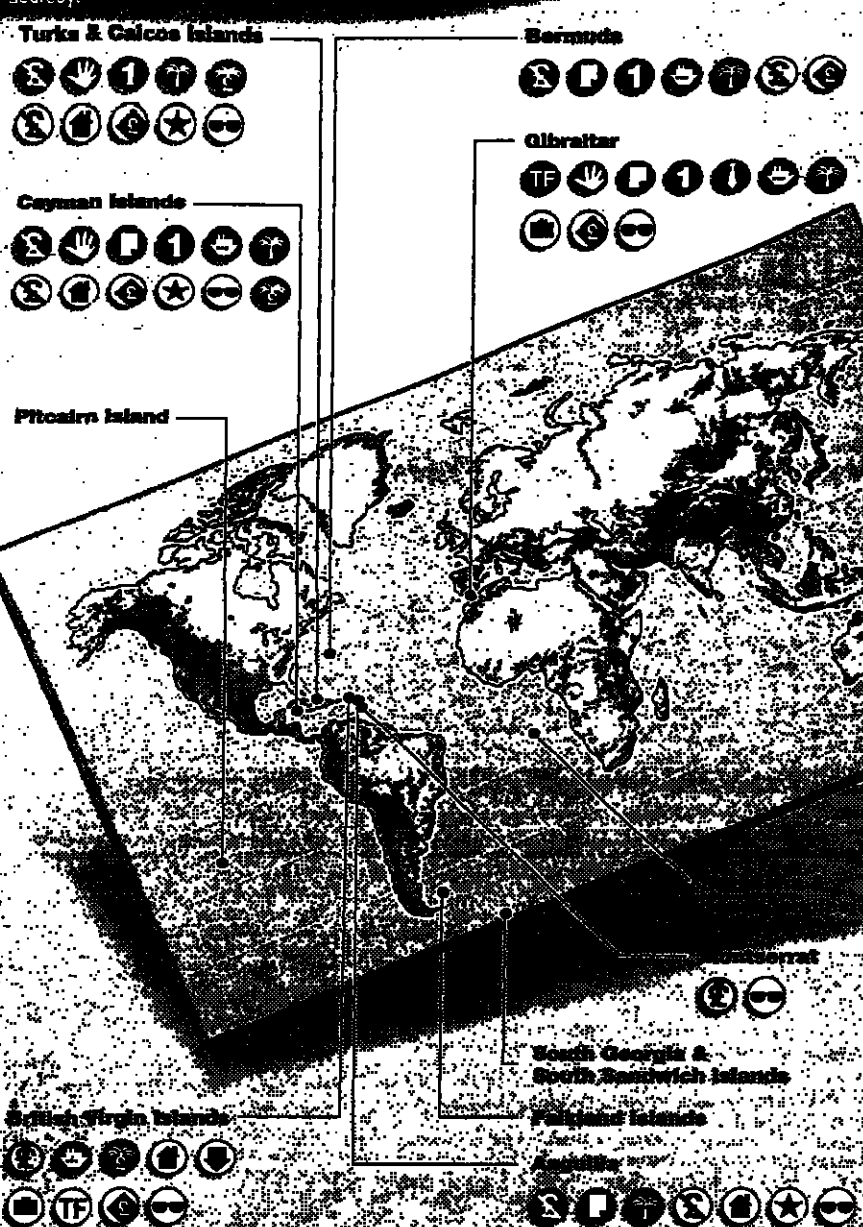
Since the early 1990s, Westminster has prodded British tax havens into a number of clean-ups. Now it is doubtful if such pressure is necessary. Since 1995, the erosion of the British tax base by tax evasion has triggered something close to panic. In May 1996, the accountants Deloitte & Touche estimated that tax evasion had robbed the Crown of \$2,000 billion at current prices since 1976.

To be fair to Britain's dependencies, they form just one part of the offshore mosaic. Some of the most prosperous havens — the Dutch Antilles, Campione (on the Swiss-Italian border), Liechtenstein and even Luxembourg — have no connection with Britain.

And as the Dependent Territories Association says, the problem of money-laundering is not confined to them. Last month, Jack Straw, the Home Secretary, announced a six-month inquiry into money-laundering in the Channel Islands

### Where to stash it

Offshore havens offer some excellent opportunities for companies and individuals to avoid tax and maintain secrecy.



### Key

What companies can get away with...

- (S) No profits tax
- (L) Low tax with treaty relief (Tax agreements with other countries)
- (T) Tax exemptions
- (H) Holding companies
- (C) Captive insurance (A tax efficient way of insuring a company)
- (U) Unit trusts
- (M) Management companies
- (S) Shipping registration and management
- (O) Offshore companies
- (B) Offshore banks

### How individuals can benefit

- (S) No income tax
- (L) Low income tax
- (E) No estate duty
- (T) Tax on remitted income
- (T) Tax exemptions
- (S) Settlement trust (A trust set up to benefit another)
- (B) Bank secrecy
- (S)Bearer shares (Used to disguise a company's ownership)

### Two ways to make a living

The economy depends on fishing and subsistence farming, rather than tax avoidance. Bartering is an important part of the economy. The largest source of income comes from the sale of postage stamps to collectors and sale of handicrafts to passing ships.

**Pitcairn Island**  
 13.7 sq miles, 50 people (1996)  
 Languages: English (official), Tahitian/English dialect  
 Currency: New Zealand Dollar

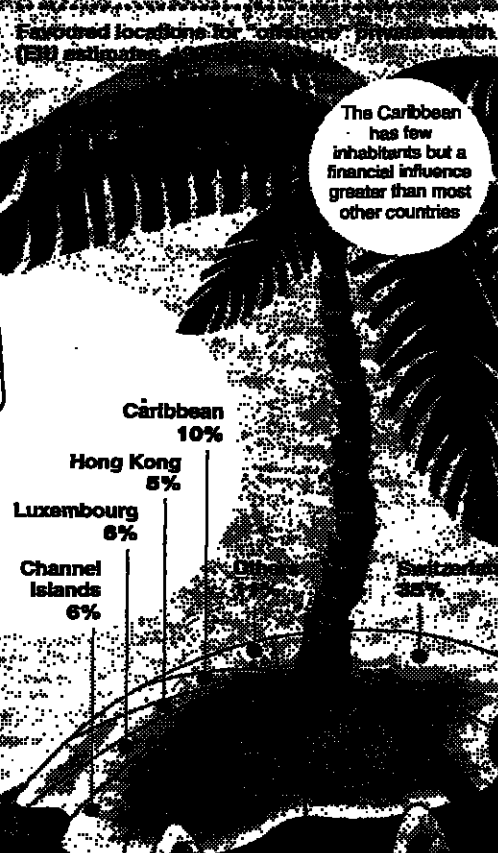
Chief industries: more than 1 million visitors in 1995, banking, insurance and finance (33,982 companies were registered by 1995, protected by insurance law), construction, construction materials and furniture.

The CIA believes the island to be a major money-laundering centre for illicit drug profits.

Population: 430,575 (1995)

**The Cayman Islands**  
 100 sq miles, 34,646 people (1996)  
 Capital: George Town  
 Languages: English  
 Literacy: 98%  
 Currency: Caribbean Dollar

### The world's top tax havens



and the Isle of Man. And the National Criminal Intelligence Service believes that London is a much more important market for money-launderers than the dependent territories.

Robin Cook's determination to reform the way the territories are run may, however, meet a few problems rather closer to home. The Foreign Office, Home Office and International Development Department have been discussing the future of the dependencies since soon after coming to power last May. Cook's speech on Wednesday quickly broke any interdepartmental consensus.

The International Development Department took umbrage, believing Cook had acted arrogantly and failed to take account of points Clare Short, the International Development Secretary, had raised with the Foreign Office only the previous week. Cook reacted angrily yesterday to a report in the Guardian that Short had "gone ballistic" over his speech. Behind the scenes, Short was blamed for creating the row, and was described as petulant.

YET the government departments had appeared to be moving towards an agreement. The basis had been sketched in the Lords on June 11 by Lady Symons, the Foreign Office minister. She identified the various problems besetting the dependencies.

One of the most controversial issues is whether their inhabitants should be given full British citizenship. The explosion of the volcano on Montserrat forced the Government to move quickly. Clare Short was seen among some in Westminster as having mishandled the problem, appearing unsympathetic to the islanders. Lady Symons was sent in to sort it out. Some of the inter-departmental rivalry can be traced back to that.

Last year a Commons select committee recommended the creation of one streamlined department to deal with the problems. The FO and the IDD discussed the details. All was well until Cook sent a draft of his speech to Short last Friday. She inserted objections, primarily that she wanted the new department to report to both her and Cook.

The Foreign Office insisted yesterday that Cook's speech had been misunderstood and that there was no plan to change substantially the roles of either the FO or the IDD. Further discussions, likely to be brittle, between Cook and Short will have to be held to try to resolve this before a white paper on the dependencies is published in a few months. In the meantime, life will go on more or less as normal — for good or ill — in the last outposts of empire.

Sources: (1) Discussed by the Guardian in the book *The Liear* (Penguin); (2) Contingent Liabilities in the Dependent Territories (NAO, May 30, 1997). Graphics sources: Tax Havens And Their Uses, by Caroline Doggett (Economist Intelligence Unit, 1997, £25, tel 0171 830 1007; information correct at February 1997); Commonwealth Secretariat; Commonwealth Online; Canadian Dept of Foreign Affairs; CIA World Fact File. Graphics: Paddy Allen; Steve Villiers; Graphic News. Research: Matt Keating. Ewen MacAskill is the Guardian's chief political correspondent; Dan Atkinson writes for the financial pages; Richard Norton-Taylor writes on security and intelligence.

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## Passions over privacy

If the press wants self-regulation it must work

IN THE continuing debate about the press and privacy it is as well to think about the world as it is and will be rather than the world as it was. In real life there is, to all intents and purposes, a privacy law on its way. Article 8 of the European Convention on Human Rights will, once incorporated, be interpreted as such. In real life this will affect newspapers and in real life the Press Complaints Commission (PCC) will in all probability be classed as a public authority, and thus subject to the provisions of the Human Rights Bill. In real life this means that people who feel that their privacy has been infringed will seek redress. It also means that people who fear that their privacy is about to be infringed will also seek remedies.

If we can accept that much then we can have a more informed debate about the whole issue. The questions then revolve around who will adjudicate on these matters: the courts or the PCC — or both? Will there be an effective public interest defence to actions for privacy? If so, who will develop or frame it: judges or Parliament? If judges, will they be judges who have a background — or training — in human rights issues? If Parliament, is there a bargain to be struck whereby the press could be given more enlightened libel laws in return for a privacy law — both of which would contain a careful definition of the public interest?

The debate has not quite got this far. Some journalists are not yet prepared to concede the need to give any ground on privacy. Lord Wakeham is fighting a robust battle to have a ruling that the PCC is not a public authority and will thus be excluded from the supervision of the courts. He has lost none of the skills of a Chief Whip and makes a persuasive case, but even he must accept the probability that this approach will fail. Then what?

Lord Irvine's proposition, for which he has been roundly abused on all sides, is that a press which is so attached to the notion of self-regulation must see to it that self-regulation works. The more effective the PCC can show itself to be, the less cause judges will have to meddle in the press's affairs. That, of course, means that the PCC must reconcile itself to becoming a different sort of animal. It must convince the courts that it offers effective remedies for breaches of privacy. It must consider whether it should have the right to fine offending newspapers. [Broadcasters have long lived with this threat. The BBC once fined Granada TV £500,000. That has not stopped it from being at the cutting edge of investigative journalism.]

More contentiously, the PCC must consider whether it could effectively handle cases of people seeking prior restraint. ECHR case law is helpful in making clear that ex-parte injunctions are a draconian interference with free speech requiring strict scrutiny. If the PCC could devise a mechanism for dealing with privacy applications in advance of publication it would have to simultaneously make it clear that it could only grant applications in the most extreme cases where no conceivable public interest was served by publication. Lord Wakeham — and many respected journalists — find it difficult to conceive of a voluntary self-regulatory body such as the PCC re-inventing itself in such a quasi-judicial form. There are inevitably concerns about whether the PCC could remain quite so light on its feet, so cheap and such a refreshingly lawyer-free zone. There are hints that the big newspaper groups would rather close the PCC down than play ball on these terms. But what would that achieve, except the end of self-regulation and a world in which the lawyers decide everything? A bit of calm reflection is called for on all sides.

## Prevention is better than cure

And health equality needs real targets to aim for

ARGUABLY it is the greatest social achievement of the century: the extra 25 years that have been added to life expectancy. Medical advances account for no more than five of these extra years. The rest is due to a Victorian value that went out of fashion: public health campaigns which produced cleaner water, improved sanitation, widespread immunisation programmes and better housing. Belatedly, the Tories took up preventive health in 1991 with their Health of the Nation white paper, which set out targets but omitted to provide a strategy for reaching them: descriptions without prescriptions. They were ready to require individuals to change their lifestyles but reluctant to adopt policies that would change the socio-economic climate responsible for much ill health. Now it's Labour's turn.

There are several obvious challenges facing modern public health campaigners: higher life expectancy achieved by several continental countries; widening inequalities in health between professional and unskilled workers' families; and the failure to delay the onset of ill health as life expectancy increases. Labour yesterday concentrated on the 90,000 people who die before their 65th birthday — 30,000 from cancer and 25,000 from heart disease and strokes. Its aim is to extend the years of fit and healthy life and narrow the stark inequalities which have developed. Twenty years ago there was scarcely any difference in deaths from heart disease between the social classes but

today men in social class five are three times more likely to be suffering from heart disease. People in the poorer parts of inner Sheffield die eight years earlier than residents in its affluent suburbs.

The first thing to welcome is the open admission of the social causes of ill health: poverty, unemployment, poor housing, polluted air. Good health is not just about individuals behaving more responsibly in their use of alcohol, tobacco, food and exercise. Belatedly Britain now has a minister for public health and a cabinet committee representing 12 departments to improve co-ordination. A few small steps have been taken to combat social causes: a modest increase in housing investment, the launch of the social exclusion unit, and the drive to give people more opportunity through welfare-to-work programmes. But much more is needed.

The Government is wrong to shrink the number of targets from 27 to four. It is wrong to leave so much to local health authorities. The Health Secretary wants to break down the Berlin Walls separating local services — setting more national targets would be an effective way of lifting local eyes above parochial rivalries. It is wrong to delay a national fluoridation programme. It is time the green ink opponents were seen off. Most serious of all is the absence of targets for reducing health inequalities. Anti-poverty campaigners must insist on their inclusion. There must be a specific commitment to close the gap.

## Custard's last stand

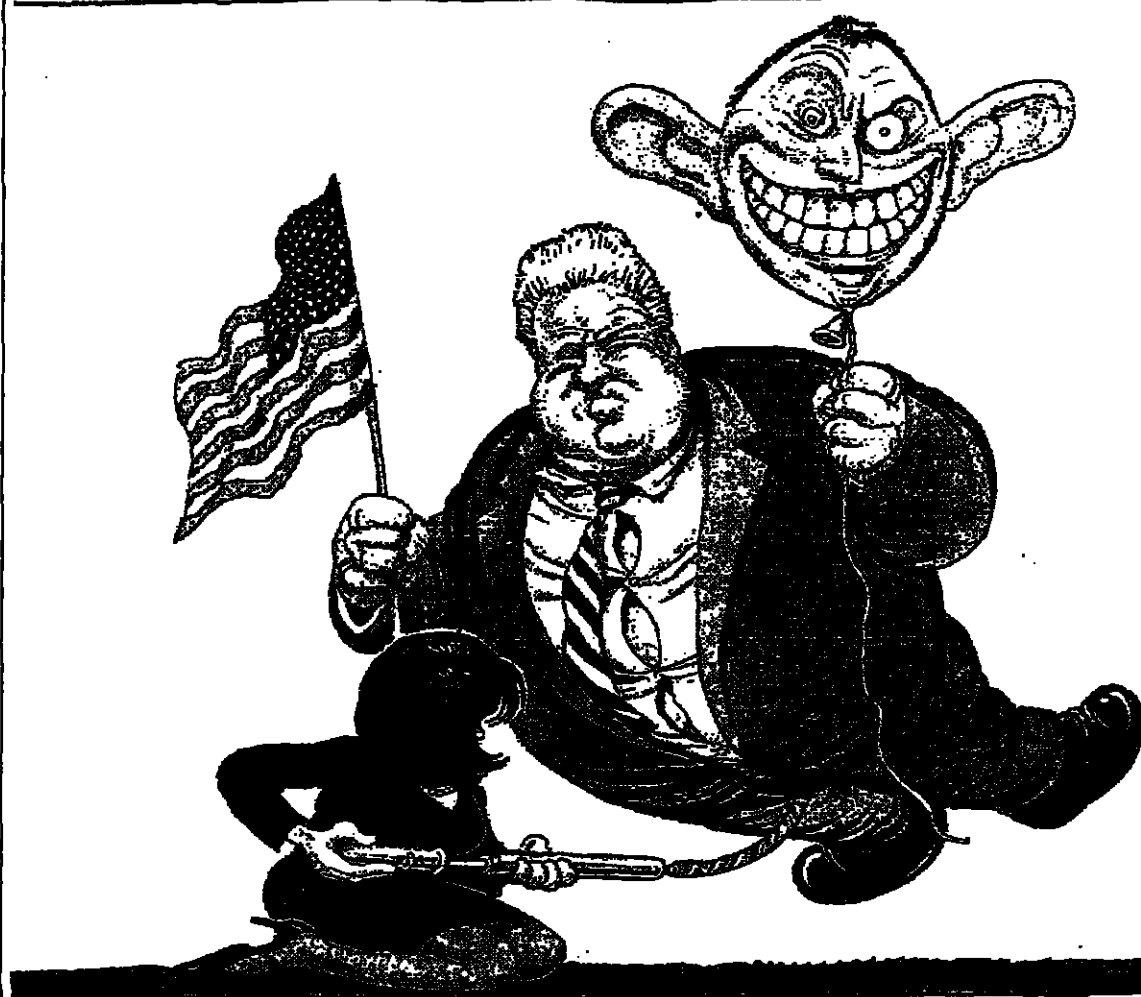
But someone should make sure it's the real thing

IN IRAQ Saddam Hussein is reported to be preparing weapons of mass destruction to advance his ambitions. In Brussels a more conventional form of warfare is being used: the custard pie. The latest victim is billionaire Bill Gates who was believed to have been targeted by a surely soon-to-be famous Belgian who specialises in puncturing pomposity in this time-honoured way. Exactly why the custard pie carries such deflating, metaphorical, resonance is hard to explain — but a long tradition of slapstick comedy in Britain and around the world confirms that it does. If it had been blackberry and apple tart the whole effect would have been lost.

As with the stinging nettle and dock leaf, so there is an antidote to the custard pie which greatly lessens the risk of further attacks. It is to eat humble pie, or more correctly, "umble" pie (from the edible offal of a deer). This is not something instantly associated

with the brilliantly successful Mr Gates — who could buy the entire world's supply of umbles — and still have over \$43 billion to play with. But it has, of course, got to be a real custard pie in the first place. Close inspection of the photographs showing Mr Gates plastered with a white, but not yellowy, substance must raise doubts whether real custard was used. Even I.M. Child's recipe of 1832 in *The Frugal Housewife* requires eight eggs per quart.

If he wasn't using real custard then the culprit should be prosecuted forthwith. Under the Trade Descriptions Act. If he was, then he should now start going for a serious target. Imagine: if Saddam Hussein, in the middle of addressing a mass rally in Baghdad, were hit full square by one of the frugal housewife's finest, it might, just might, so deflate him that the Middle East would never be the same again. And the custard pie could get a Nobel prize.



## Letters to the Editor

### Still united against the Reds

FOOTBALL fans are not the only ones who have come to loathe and detest Manchester United plc. Here in Trafford local farmers, residents and environmentalists are also "united against United" (G2, February 3).

This once great club no longer cares about its roots in the Manchester community and plans to abandon the training ground in Salford and move out into splendid rural isolation on a Cheshire green belt site at Carrington Moss.

Once the new training ground is complete, we will undoubtedly see the club abandon Old Trafford and plan a new stadium at Carrington Moss, with plenty of parking space for all those touring fans from the rest of Britain — indeed a whole United theme park looms.

The Government has so far failed to call a public inquiry into the scandal, all the planning rules are conveniently overruled, and so the great power and influence of Manchester United over a supine local council wins the day. Teresa Bell, 15 Winton Road, Altrincham, Cheshire.

IN the same issue, Jim White's colleague, Paul Hayward (Time to blow the whistle on foul fans) provides

a perfect illustration of why Manchester United inspires hatred among other football supporters — Hayward links the disgraceful attack on an assistant referee last weekend with Eric Cantona's assault on an abusive Crystal Palace supporter three years ago.

As a Palace supporter I was present that night. Although, in common with the vast majority of Palace followers, I hold to brief for the actions of one mindless idiot, I was appalled by the pro-United bias of the media at the time. Blame was showered on my club and many people associated with it, not least the defender, Richard Shaw.

The assistant referee at Portsmouth was thankfully not badly hurt, in contrast to the events when Palace and United met in the FA Cup semi-final later that season and a Palace supporter lost

his life in a pre-match fight apparently sparked off by taunts about Cantona. Neil Bisset, 104 Hampden Road, London N8 0HS.

JIM White is incorrect to suggest that the Munich crash has anything to do with the recent phenomenal growth of support for Manchester United plc (who incidentally do not even come from Manchester).

The reason support for them is so universal is because Thatcherism has engendered a society in which winning means everything. It is therefore fortunate that there will come a time when (1) football loses its trendy appeal and is deserted by the wealthy fly-by-nights who have recently started watching it at the expense of traditional fans, or (2) Merchan-

dising United start losing again and the glory hunters disappear from their seats. Chris Allen, 40 Gordon Road, Cardiff CF2 3AL.

MAY I remind Jim White that the Munich air disaster was not in fact "the first of English football's trio of tragedies".

Burden Park, former home of Bolton Wanderers Football Club, was witness to the tragic death of 33 Bolton fans on March 9, 1946. In a week which has seen the media dominated by criticism of Bolton fans (for their anticipated behaviour tomorrow), all in the name of respect for the victims and families of the Munich disaster, White's article raises the question whether the victims and families of the Burden Park disaster do not also command some respect?

Tina Egan, Rossendale, Lancashire.

WHITE says: "Law, Best and Charlton ... the three best players in the world: typical of the arrogant chauvinism that does so much to make us united against United." Peter Mole, 10 Farndon Road, Oxford OX2 6RT.

### Teenagers bite back

I WAS not impressed by Linda Grant's commentary on teenage values (17n sorry, teenagers, you are not the centre of the universe, February 3). She claims that teenagers "see things in black and white", and are "never plagued by uncertainty", gross generalisations which I, as a 15-year-old, know to be untrue.

She tells us patronisingly that "you are not the centre of the universe", and says that we don't know what a ruined life is until we've "seen a chemical weapon in action". Most teenagers are perfectly aware of other people's suffering and world affairs, since we silently observe the actions of the adults who run and often help ruin the world which we will be governing next century. Adults who have the audacity to stereotype teenagers and their views should consider the example they are setting to the next generation's monarch and government.

Abigail Rosenberg, 11 Pelgrave Road, London W12 9NB.

I AM sure that most teenagers would agree that war with Iraq is a more important issue than the shape of the president's penis. But isn't it precisely the fact that they are not concerned with making the beds and household insurance that does indeed make them cool? The fact that most adults appear to have more passion for mortgages than "doomed" love affairs lends weight to the teenage view that few over 25 have a life.

Joanne Taylor, 38 Collingwood Avenue, London N10 3ED.

### Reed v Reed

THE last thing I want is to get involved in a slanging match with News International's Jane Reed over her misleading comments about The Times predatory pricing policy (Letters, February 5).

However, I am happy to recall her comment to Media Guardian that "even if American anti-trust laws were replicated in the Competition Bill, our fair and reasonable use of price-cutting would not be considered predatory".

I look forward then to her, and News International's full support for Lords McNally, Borrie, Astor and Acker's all-party amendment to the Competition Bill which, if carried, will bring Britain into line with US anti-trust legislation. Jeremy Reed, Managing director, Newspaper Publishing plc, Canary Wharf, London E14 5DL.

### Internet dads

CATHERINE Bennett's Article on sperm donation (Donor days, January 31) is a curious mixture of nitpicking and misguided accusations.

On whether or not sperm and egg donors should remain anonymous, Ms Bennett dismisses out of hand the immense public, professional and political debate that started with the Warnock Committee of the early 1980s and resulted in the 1990 Human Fertilisation and Embryology Act. There are indeed good reasons why the identity of future donors should become known to their offspring. There are also several good reasons why they should not. Parliament made a decision on this eight years ago, and it may consider the matter again at some stage in the future. In the meantime, there is little purpose in attacking the HFEA for implementing the existing law (which is our job) rather than trying to rewrite it (which is not).

Ms Bennett also asks what problems the HFEA could have with Internet browsers being able to pick from an array of potential biological fathers (apart from our concerns on health grounds, quality control and fraud). The answers are twofold.

No category of woman is banned from having fertility treatment in the UK, but when deciding whether to give treatment with donated sperm, doctors must bear in mind the health of the mother and the welfare of the potential child.

This includes such factors as the child's need for a father, the risk of harm or abuse, and the likely effect on any existing offspring. No such stopgap exists with the worldwide web, where frozen sperm is sent direct to the buyer.

Second, it is perhaps worth remembering that the men advertised on the web often earn many thousands of pounds a year for their sperm. Is there not a legitimate concern that children so produced may be perceived, or see themselves, as mere commodities?

Ruth Deech, Chairman, Human Fertilisation and Embryology Authority, 30 Artillery Lane, London E1 7LS.

### Why Mandela is my hero

FOR the mix of sheer historical misrepresentation, superficiality and superficiality, it would be difficult to match Brian Walden's televised lecture on Mandela ('Demagogue' Mandela under fire, February 5).

The decision of the ANC to adopt a policy of armed struggle was not taken by an autocratic Mandela but by a group of leaders, including Oliver Tambo. If the related campaign was initially inept, it had notable successes in subverting, with an inspiring effect on the townships.

Walden's remark that it was not international opinion, economic sanctions or black nationalism that broke apartheid but Afrikaner business is perverse. The credit Suisse on South Africa, due mainly to the Congress ban on the involvement of US banks in loans to the apartheid state, was haemorrhaging the economy. The rebellion in the townships was drawing young white conscripts into a domestic warfare which growing numbers of these and their families found indefensible. The increasing corruption of a militarised and secretive regime

was promoting a moral crisis in Afrikanerdom. Afrikaner business was not the driving, but the driven, force.

Most mischievous were Walden's attacks on Mandela for failing to accommodate Inkatha as he should have done. But Inkatha represented a tribalism which, if accommodated, would have torn South Africa apart. Indeed, it was deeply involved in the operations of the so-called Third Force whose objective was to destabilise the new regime, if not pre-empt it altogether by the 'indefinite postponement' of democratic elections.

Certainly there is occasion to criticise the new regime, in full awareness of the formidable difficulties confronting it. A reliance on promoting the growth of a black bourgeoisie did not solve the urgent problems of under-nourishment, hopelessness, unemployment and crime. But Walden's distortions do nothing to help the process of necessary readjustment as they do nothing to detract from Mandela's real achievements.

Ronald Segal, Old Manor House, Walton-on-Thames, Surrey KT12 2NZ.

### Iraq: what we still need to know

HAVE no quarrel over Blair or Clinton's view of Saddam Hussein (Iraq's hidden arsenal, February 5). What concerns me is the seemingly unthinking way that bombing and military action will stop the thrust of Iraqi policy.

Can we have the answer to three crucial questions?

1. Assuming military action, how will bombing and its inevitable civilian casualties secure changes in Iraqi policy? 2. Assuming that Saddam is assassinated, what guarantee is there that his successor, possibly another Taktiri, will be more willing to comply with UN resolutions?

3. Assuming a destabilised Iraq, what will be Blair or Clinton's attitude to the inevitable increase in Iranian and, possibly, Syrian power?

We need more accurate information before our "chape" are sent into another ill-defined and reactive war. Jeremy Ross, 84 Wellfield Lane, London SW16 2BP.

I AM sure I read, early in the diplomatic exchanges of recent times, that Saddam Hussein based his restrictions on the activities of the arms inspectors on his objection to the teams being headed by an American and largely staffed by Americans and other nationals he judged to be hostile to his regime and to him personally.

If the purpose of the inspections is to ensure that Iraq's military capability is kept to acceptably safe levels, surely it doesn't matter who does the inspecting? Could not the UN call Saddam's bluff by reconstituting the inspection teams to exclude nationals that he objects to, say those from America, Britain and Australia? If Saddam persisted in his intransigence, the present crisis levels of diplomacy might perhaps be resumed with greater justification.

P J Windbank, 74 The Lane, Blackheath Park, London SE3 9SL.

### Open these files

WHILE the recent release of archives of the sixties, seventies and beyond is to be commended, I am puzzled by the refusal of the authorities to release documentation on the fatal Gibraltar plane crash, in July 1943, that resulted in the death of the Polish Premier and Commander-in-Chief General Wladyslaw Sikorski, together with his daughter and Col Victor Cazalet MP, his liaison officer with Churchill. The accident, if it was an accident, was never fully explained. The death of Sikorski took place in the aftermath of the Katyn massacre disclosure and the consequent severance of diplomatic relations between the Soviet and the Polish governments-in-exile in London, an embarrassment at the time to the British as Soviet allies. It does not help that Kim Philby, then in charge of the Iberian intelligence, visited Gibraltar shortly before the crash. Despite several approaches, a decision has apparently been taken to keep the archives closed for another 45 years.

Roman Stefanowski, 3 Acland Hall, Bingley BD16.

THE BURREN, IRELAND: Strange are the thoughts we have when walking. I pondered the simultaneous flourishing of the very different Celtic and Mayan civilisations (500 AD-1200AD). Yet they both revered forests and worshipped trees. In the Celtic calendar a "mooncra" was the measure — the period between one full moon and the next. There were 13 mooncra of 28 days each with one day being added to one mooncra to total 365 days to the year. Each period or mooncra was represented by a tree. The period, January 21 to February 17 is the month of LUIS which is said to protect the dairy and to ward off the evil eye. Jane Grigson has a recipe for rowan liqueur. Here in the Burren, the rowan grows not only in the hedges but also on the high stony ground of the hills, like our nearby Cappanawalla. On this recent walk I found several young rowans growing

between the limestone pavements, their vivid scarlet berries long gone, eaten by hungry birds. Some years ago we often met our neighbour, Tom Beag (small/young Tom) who lived along the coast road to Fanore. He spoke the Irish beautifully and knew every cranny of his mountain land. He told us that some ancestors had gone to America in famine times (1840s) but because they knew only Irish they couldn't write home because no mail in Irish would be collected or delivered. Tom Beag promised to bring us a rowan tree. We waited. Shortly after his death while clearing ground we found a rowan sapling with the earth newly dug around it. Tom Beag had planted the promised tree while we were away. It flourishes and is called Tom Beag's rowan. Elsewhere the rowan's "Sweet berries ripen in the wilderness" (Stevens) of our Burren.

SARAH POINTZ











# Old TSB Was used in £6m fraud - QC

Geoffrey Gibbs

ONCE reputable bank building in the Devon resort of Torquay was used as the centre for an international banking fraud that swindled investors out of millions of pounds a court was told yesterday.

Fraudsters operating out of the former TSB premises used grand titles and impressive-sounding addresses in New York and pretended to be banks had billions of pounds in assets for loans, Mr Francis Gilbert QC told the jury at Bristol crown court.

But the whole corporate structure was fraudulent from the outset and investors lost more than £6 million over 2½ years.

One victim from Germany parted with £1.5 million for a \$100 million loan that never materialised. A Canadian investor handed over \$1 million.

Three men facing charges of conspiracy to defraud "had nothing at all other than the money they stole from their victims".

In the dock are two Germans, Gerhard Martens, aged 39, from Torquay, and Peter Tuegel, 60, and an Italian, Sebastiano Saia, also 50.

Martens, who moved from

Germany to live in Torquay in the 1980s, denies three charges of conspiracy to defraud, one of obtaining £1.53 million (£520,000) by deception, and one charge under the Financial Services Act of issuing a false prospectus.

Tuegel denies two charges of conspiracy to defraud, and Saia one similar charge.

Mr Gilbert said the three defendants were arrested in September 1995, but the next year Martens changed the names and location of the bogus companies to the island of St Martin in the Dutch Antilles while continuing to base himself in Devon. He obtained more money by carrying on the fraud in conspiracy with a man named Subhash Ganatra, who had since gone to India.

Mr Gilbert said the accused pretended they had sufficient assets to make loans in return for fees paid in advance. They offered more than £1 billion in loans.

To avoid the attentions of the Bank of England and other UK authorities their targets were principally from abroad.

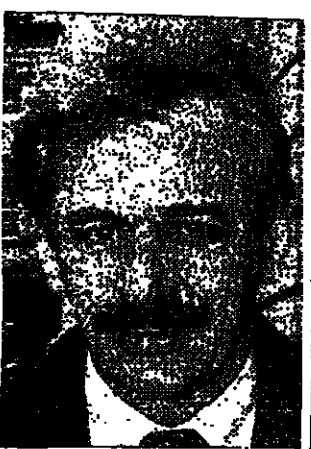
Among the victims was an architect and property developer, Detlef Meier-Hofner, who handed over £1.53 million in 1991 after agreeing a contract with Martens for a £50 million loan for a leisure park project in Germany.

Mr Meier-Hofner's money had ever been found, and he lost all his property valued at over £10 million.

According to the prosecution Tuegel became Mr Martens partner in the bogus banking companies in about May 1993.

Saia, who lived in London, had claimed to be a commodity broker and on one occasion he pretended to represent a syndicate of Italian politicians wanting discreetly to sell lira for other currencies at a discount.

The trial continues and is expected to last up to six months.



Tuegel: denies charges

## Delay hits British Bio for £270m

Julia Finch

MORE than £270 million was wiped off the value of British Biotechnology yesterday as the company revealed that the release of one of its drugs has been delayed.

Its shares tumbled 41p to 96.75p as the company warned that, after discussions with the European Medicines Evaluation Agency, it is to postpone the launch of its Zacetec pancreatitis treatment until it has the results of further trials. Less than two years ago the shares were changing hands at more than £200.

British Bio, now valued at £633 million, is the pioneer of the UK's biotechnology industry. It is also the largest of the

biotech firms and the impact of its bad news reverberated throughout the sector. Scotia fell 10p to 332.5p. Biocompatibles lost 12.5p to 375p and Shield Diagnostics dropped 27.5p to 688p.

The scale of the falls reflected shareholders' mounting impatience with the sector such as British Bio's bad news. In recent months there have been a series of announcements regarding drug development problems and delays and investors are beginning to want results.

British Biotech's chief executive, Keith McCullagh, admitted that the new Zacetec delay would be a "disappointment" to shareholders. However, the company's best hopes lie with Marimastat, a cancer drug still in trials.

### News in brief

## Pension hopes rise for part-timers

THE House of Lords has referred a case on the pension rights of part-time workers to the European Court of Justice. The move, affecting 60,000 part-timers claiming backdated pension rights, could prompt a wave of further claims. Issues for the European Court include the question of whether backdated compensation can be limited to two years. — Rupert Jones

## BT's line to Japan

BRITISH TELECOM signalled an aggressive expansion in Japan yesterday by winning a licence to run its own network. The company said carrying voice and data over its own infrastructure, rather than leasing capacity, would enable it to exploit the liberalisation of the market more effectively. — Chris Barrie

## Money deluge at Monsoon

CLOTHING chain Monsoon announced that chairman Peter Simon and his family trusts will raise £28 million when Monsoon comes to market next week. They are selling a quarter of their holding to City institutions at 198p, valuing the company at \$252 million. — Roger Ciolek

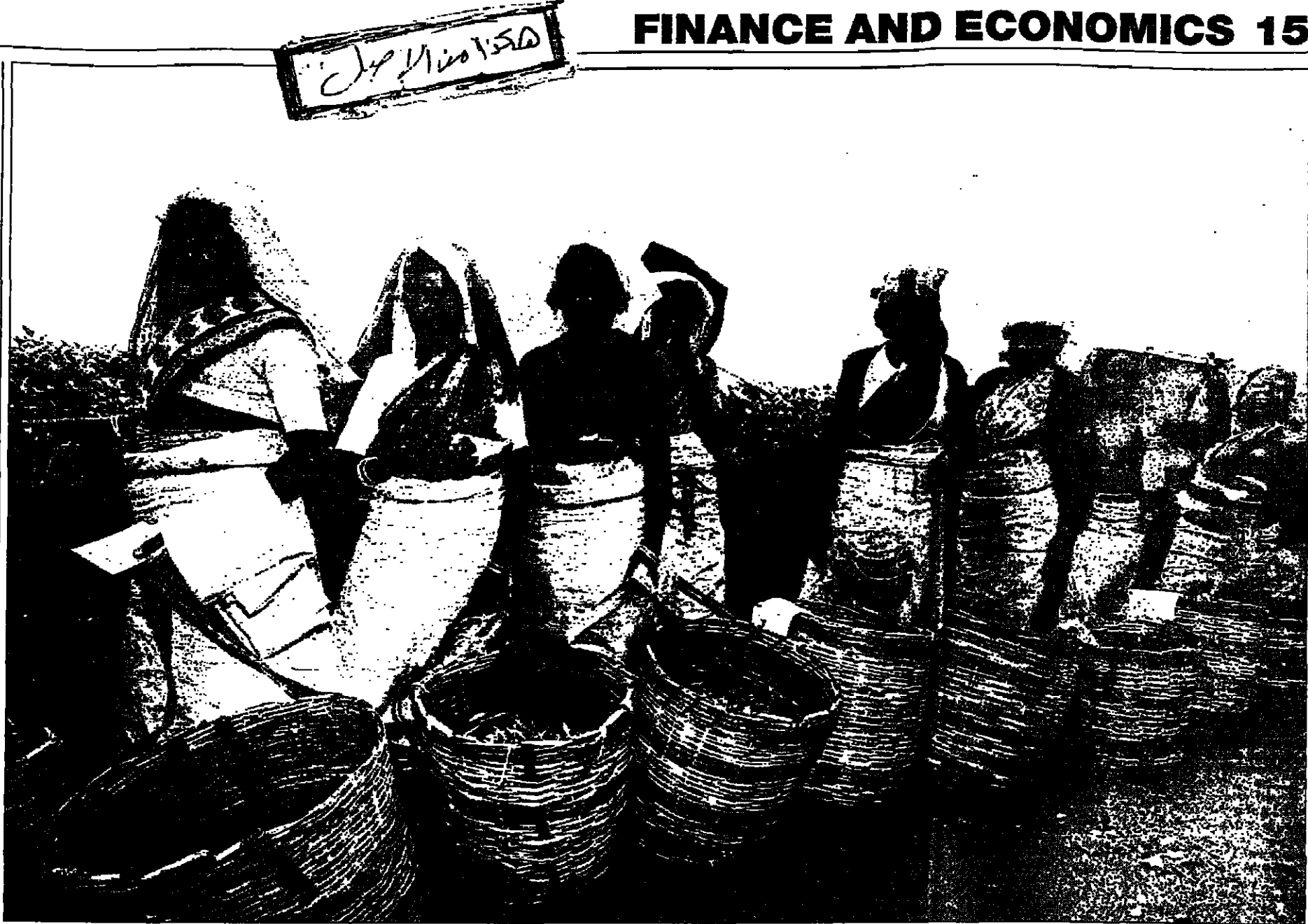
## Cornish tin closure confirmed

EUROPE's last tin mine, South Crofty in Cornwall, is to close on March 6 after the Government decided against contributing towards a £12 million rescue package. When the gates close it will end 4,000 years of Cornish tin mining. — Steve Busfield

### TOURIST RATES - BANK SELLS

Australia 2.358	France 9.722	Italy 2.882	Singapore 2.71
Austria 2.44	Germany 2.905	Malta 0.584	South Africa 7.50
Belgium 59.55	Greece 482.07	Netherlands 3.253	Spain 244.30
Canada 2.315	Hong Kong 12.36	New Zealand 2.73	Sweden 13.00
Cyprus 0.855	India 63.63	Norway 12.10	Switzerland 2.34
Denmark 11.14	Ireland 1.156	Portugal 268.33	Turkey 548.380
Finland 8.827	Israel 5.89	Saudi Arabia 6.08	USA 1.808

Supplied by NatWest Bank (excluding Indian rupee and Israeli shekel).



Tea break... women workers in Sri Lanka who have withdrawn their labour adding to fears about a possible tea shortage and a continued rise in prices PHOTOGRAPH: DOMINIC SANSONI

## Cost of cuppa could rise as row brews up in Sri Lanka

### Workers strike as bosses refuse to pay 99 pence a day, says Pauline Springett

THE cost of a cuppa could go up if a strike started yesterday by Sri Lankan tea plantation workers is not settled swiftly.

Some 400,000 workers are demanding a pay rise of 26 per cent. That would increase the daily wage to 101 rupees (99 pence) from 83 rupees. The owners are offering 98 rupees.

Experts say that if the strike lasts more than a week, the price of tea at the Colombo auction would rise.

Ilwtyd Lewis, executive director of the Tea Council in London, said that tea

prices had been rising over the past year. Global prices were now running at around £1.50p per kilo, about 50 per cent higher than a year ago.

"The world of tea prices is in a ferment," he said. But he pointed out that this was nowhere near the price levels reached in the early 1980s. The average price in 1984, for instance, was £2.62p per kilo. That same year the London tea price reached a record high of £3.04p a kilo.

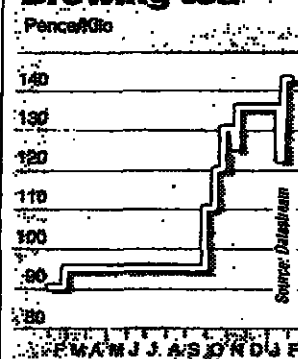
Mr Lewis insisted that the impact of the past year's rise in global prices

on the British cuppa had been minimal. The cost had risen by about 1.5p to 2p per 10 cups. "Depending on what milk you use and, assuming there is no sugar, you are paying about 2.75p to 3p a cup, that's really good value," he said.

Although Sri Lanka is an important player in the tea world, its production is by no means the only factor affecting the global price.

There are 30 global tea producers, the largest of which is India with 780,000 tonnes a year. Sri Lanka produces 255,000 tonnes a year.

### Brewing tea



ers, with about 240,000 tonnes a year each. "In general terms, Sri Lanka produces only about

10 per cent of the tea that comes into the UK. So while there may be a hiccup in Sri Lanka, it will not have an immediate impact here," Mr Lewis added.

He explained that the recent rise in prices had been caused by a combination of other factors which had all raised fears about a possible tea shortage. These were mainly ecological and included late rains in India and severe drought in East Africa.

Tea is an unusual commodity because it is not traded on a futures basis, but in regular auctions around the world. There are 1,500 tea varieties, 32 global auction points and 12 grades of leaf. Tea is imported into the UK in its

leaf form and is then blended into tea bags. The average tea bag contains 20-30 different types of tea, over half of which come from Africa.

The largest recent change to UK tea trading has in fact been caused by Kenya which stopped using the London auction after the East African drought. That forced the only two UK brokers still using the London auction - Wilson & Smithett and Thompson Lloyd & Ewart - to conclude that the auction was too costly.

The system will cease in June. After that brokers will simply trade privately. Until then the auction will continue to be held on Monday mornings at the London Chamber of Commerce.

## R&D doubts cast shadow on marriage euphoria

Julia Finch

THE drugs colossus that will be formed if the merger of SmithKline Beecham and Glaxo goes ahead will have an annual research and development budget of £2 billion - but that will not guarantee discovery of best-selling drugs.

The rationale behind the £130 billion merger is twofold: huge savings and the potential more R&D spending will generate.

Although, at first, merger talks were greeted warmly and shares of both companies leapt, analysts are now concerned. One worry is the time it will take to implement even preliminary cost-cuts.

The bulk of the estimated £1 billion savings are likely to be found in manufacturing, which accounts for 50 per cent of Glaxo's head count

and 36 per cent at SB. Cuts here are unlikely to begin until the year 2000 and will not take effect until 2001.

But the R&D expenditure is exceeding even more modest. Some pharmaceutical analysts are querying whether it will generate better drugs. "The key to success in R&D is not absolute size, but whether the productivity of that R&D will support future sales growth," said Peter McDougall of Dresdner Kleinwort Benson.

His team has examined the productivity of R&D spending, valuing the drugs in the pipeline, their chances of success and their potential sales. A 100 per cent rating shows that all cash invested in R&D will be recouped.

The brokers assume a 10 per cent cost in capital and conclude that a drug must have a rating of more than 110 per cent to break even.

### THE BIG MERGER

Glaxo SB

Glaxo and SB's rivals Pfizer, Roche and Novartis lead the productivity field with ratings of 160 per cent, 140 per cent and 117 per cent. SB manages 112 per cent while Glaxo limps along at 72 per cent. The combined group would have a 93 per cent rating - so the cash brought in from new drugs would not cover the amount invested to produce them.

problems through the sheer size of the new combine, which will have a market share of around 8 per cent. "With the pharmaceutical market growing at 6 per cent a year and Glaxo-SB holding such a large share, it just will not be able to outgrow the market," he said.

Even regularly discovering new drugs will not be a big help. There are less than 30 drugs on the market which rake in sales of more than \$1 billion a year. Yet if Glaxo-SB were to launch one today, and it reached peak sales in five years, he calculates it would add less than 1 per cent to the company's compound annual growth.

He also reckons neither company has a drug in the pipeline likely to be a best-seller. Dresdner's analysts believe the real rationale behind the merger is that Glaxo's Sir Richard Sykes

had promised double digit earnings growth from 1999 which he cannot deliver - mainly due to the loss of Zantac ulcer drug sales after the expiry of its patent.

Long-term, some analysts do see R&D benefits. Brokers Flemings say the group will be "an R&D powerhouse", but they also believe the big benefit would be joining SB's work on genomics with Glaxo's hi-

tech combinatorial chemistry, making the group the "partner of choice" for the biotechnology industry's best products. But results from genomics and biotechnology are still many years away.

Only two years ago Jan Leschly, chief executive of SmithKline, was saying that bigger did not mean better. Many analysts are wondering why he has changed his mind.

## Barclays pay dispute is settled

Seamus Milne Labour Editor

AFTER three one-day strikes and twelve months of on-off negotiations, Barclays Bank and the two main banking unions yesterday agreed a compromise settlement of their dispute over a new pay-squeezing, performance-related, salary system.

The bank has secured the introduction of the pay and grading system it wanted, but the unions have won transitional payments which will protect 25,000 staff they say

would have otherwise faced an effective pay freeze.

The deal followed more than a month of talks, which were re-opened on the eve of a fourth walkout after the bank's chief executive, Martin Taylor - who also heads Tony Blair's taskforce on the tax and benefits system - responded to an approach from the Labour MP, Des Turner.

The dispute, which began last August and has been accompanied by industrial flare-ups across the banking sector over pay and opening hours, has helped cement relations between Unifi, the

main Barclays union, and the Banking Insurance and Finance Union. Between them, the two organisations represent more than two-thirds of Barclays 60,000-strong workforce. They have agreed to merge with the Nat West Staff Association to form a new united banking union by the end of the year.

"Staff will not be dancing in the banking halls," Jim Lowe, Bifu's assistant secretary, said of yesterday's agreement. "But together Bifu and Unifi have won a better deal than was on offer last year".

Significantly, the Barclays negotiators insisted that the unions agree terms without putting them to a ballot of members, suggesting the bank believed its staff might have rejected the package.

But the union negotiators are satisfied that industrial action has brought some improvements, while Barclays declared itself pleased that agreement had been reached on "performance management systems". Salary increases of between 3.25 per cent and 3.75 per cent will be paid in April.

Huge salary increases and payoffs to senior Barclays executives inflamed the dispute.

## Employers and TUC clash over union recognition rights

THE battle for Tony Blair's ear over government plans for a right to union recognition intensified last night when Adair Turner, the CBI's director general, laid down a series of employer demands which the TUC insisted would kill a central Labour manifesto pledge, writes Seamus Milne.

Mr Adair said a statutory right to union recognition could only be reconciled with individual rights and good industrial relations if more than half of all workers eligible in a workforce

backed collective bargaining, rather than just 50 per cent of those voting.

Speaking to the Employment Bar Law Association in London, Mr Turner also called for small firms to be exempted from right-to-recognition legislation and said that any collective union recognition arrangements should not interfere with an individual employee's right to agree personal contracts.

Mr Turner's position was sharply attacked by the TUC general secretary, John Monks, who said the

CBI's favoured ballot system for union recognition set an "impossibly high hurdle" which "cannot be reconciled with Labour's manifesto pledge".

"Under the CBI system, a 70 per cent vote in favour on a 70 per cent turnout becomes a vote against union recognition - and a non-vote is counted as a 'no' vote," Mr Monks said. He added that Downing Street had told the TUC yesterday that no decision had yet been taken on this or any other aspect of union recognition legislation.

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